

GOVERNMENT THAT WORKS!
NEW JERSEY DEPARTMENT OF THE TREASURY
LOCAL GOVERNMENT BUDGET REVIEW
CITY OF CAMDEN BOARD OF EDUCATION

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the City of Camden Board of Education. Budget Review Team

New Jerseyans deserve the best government that their tax dollars can buy. Governor Christie Whitman is committed to making State government leaner, smarter, and more responsive, by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board.

Government on all levels must stop thinking that more money is the solution to their problems, and start examining how they spend the money they have now. The State's taxpayers cannot afford to keep sending money to their government. It is time for government to do something different.

There is no doubt that local government costs -- and the property taxes that pay for them--have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local Government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

The Local Government Budget Review Program fulfills a promise Governor Whitman made in her first budget address, when she offered the State's help to local governments looking to cut costs. This innovative approach combines the expertise of professionals from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a management review and consulting service provided to them at no cost by the state.

To find those "cost drivers" in local government, the teams will review all aspects of the local government operation, looking for ways to improve efficiency and reduce costs. The teams will also document those State regulations or legislative mandates which place an unnecessary burden on local governments, and suggest which ones should be modified or eliminated. Finally, the teams will note where local governments are utilizing "Best Practices" -- innovative ideas that deserve recognition and that other municipalities may want to emulate.

This intensive review and dialogue between local officials and the review team is designed to produce significant insight into what factors are driving the costs of local governments, and provide the necessary tools to bring meaningful property tax relief to the State.

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THE REVIEW PROCESS

In order for a community or school district to participate in the Local Government Budget Review (LGBR) program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and to agree to an open public presentation of the review team's findings and recommendations.

As part of the review of the Camden Public School District, team members conducted over 250 interviews including board members, school administrators, supervisors, directors, teachers, city officials, county and state education officials, district employees, parents, and community members. Various documents including the budget statement(s), audit reports, negotiated agreements, personnel contracts, payroll and salary records, vendor and account analyses, board policy manual, board meeting agendas and minutes and numerous other documents were examined. The review team physically visited school sites and observed work procedures throughout the school system. Board of education meetings, committee, administration and other meetings were observed as well.

In general, the review team received full cooperation and assistance from most employees and elected officials. It is with this cooperative spirit the review team anticipates most to accept its findings and recommendations for change. Those officials who remain skeptical of change or need for improvement will present a significant challenge for those committed to embracing the recommendations and savings outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. These estimates have been developed in an effort to provide the district an indication of the potential magnitude of each issue and the savings or cost to the community. We recognize that all of these recommendations can not be accomplished immediately and that some of the savings will occur only in the first year. Many of the suggestions will require negotiations through the collective bargaining process. We believe that the estimates are conservative and achievable.

COMMUNITY OVERVIEW

The city of Camden is located in southern New Jersey on the Delaware River across from the city of Philadelphia. The major traffic arteries of routes I-676, 30 (38 & 70), 130, I-295, New Jersey Turnpike, and North-South Freeway plus the Ben Franklin and Walt Whitman Bridges make Camden easily accessible. The Philadelphia International Airport is also close-by. The total area encompassed by the city is 8.82 square miles.

Camden is a city of children. Nearly 25 per cent of the total population of 87,492 (1990 census) are school aged children (ages 5-17) with an additional 11 per cent under the age of five. The state norms for age distribution over the population are approximately 17% being school age and 7.8% below age five. This data is a true indicator of the need for close scrutiny and study of the Camden Schools for the future of Camden is surely in its children.

According to the 1970 census, Camden had a population of 102,551 residents. The current population indicates a 14% decline over the past 20-25 years. There are still 9,923 persons per square mile in this impacted city.

Camden is also a city of diverse cultures. The 1990 census indicates the following breakdown: 49,362 black residents representing 56.42%; 16,620 white residents equaling 19%; 1,152 of Asian heritage representing 1.32% and 20,358 designated as "other" at 24.5%. Out of the total population of 87,492 residents, 27,273 are of Hispanic origin representing 31.17%. Some 30 different languages are represented in the schools. 41,605 residents are male and 45,887 are female.

The city has been identified as the fifth poorest in the nation and the poorest in New Jersey with a per capita income of just \$7,276. The median household income is \$17,386. Some 30,588 residents are listed as being below the poverty level. The unemployment rate for 1995 was at 17.9%. Camden has the highest major crime rate in the state. Some 60 murders were committed in 1995.

It has been stated that illiteracy creates poverty. Conversely, poverty may also create illiteracy as a lack of good jobs causes a loss of hope in students.

The above statistics point to a history of a declining city with a number of serious economic and social problems. It illustrates a steady erosion of its economic base, a high unemployment rate, and a high crime rate. According to the Empowerment Zone Strategic Plan as reported in a Local Government Budget Review study completed in the past year, the bulk of Camden's workforce does not have the professional and technical skills sought by employers. These problems exist in spite of the fact that a great deal of money has been provided from a variety of sources such as grants and state and federal

aid. In fact, the State and Federal governments have invested more than \$3 billion over the past 10 years.

Much of the same can be stated regarding the funding of the Camden Schools. It could be argued that the schools are in reality a state educational system rather than a local district. In the 1994-95 school year, the state of New Jersey provides 86.6% of the funding for the Camden schools. This represents the highest percentage of any school budget in the State. The New Jersey tax payer is surely a stakeholder in the Camden schools. By contrast, the local residents only provide 6.1% of the funding for the schools. Federal and other sources provide the remaining 7.3%. In dollars, according to the June 30, 1995 audit report, the state paid \$171,349,312 in state aid out of the total budget of \$197,202,628. The cost per student is \$10,307.

The Camden School District is made up of some 35 schools with a total enrollment of 19,990 students as of October 15, 1995. There are two high schools, a magnet high school, five junior high schools, 22 elementary schools and four specialty schools. The elementary schools have a variety of configurations and educational philosophies. These include Comer Schools, Family Schools, K-3, K-4, K-5, K-8, 5-8, 6-8, and 9-12 schools. Several of the elementary schools have pre-K programs and most have special education classes. There is also an Early Childhood Development Center, an Adult Education Center, Alternative School and a school for adjudicated youth.

The district offers a diversified curricula with many pupil support programs. Included are special education, Title 1, basic skills, bilingual, alternative and adult educational programs. A recent bond referendum was passed for \$3.1 million for renovation of a building to house the Medical Arts High School magnet program.

The district has been identified as one of 30 state "special needs" districts in the State. As such, it receives additional funding and a variety of considerations.

LOCAL GOVERNMENT BUDGET REVIEW

EXECUTIVE SUMMARY

CAMDEN BOARD OF EDUCATION

The Local Government Budget Review (LGBR) conducted an extensive study of the Camden Public Schools in response to a request by the Camden City Board of Education. Some 29 areas were reviewed with various recommendations for cost savings and/or for managerial reform. Ten areas were recognized as best practices and seven areas listed for possible state regulatory reform. Following is an executive summary of the findings and recommendations and dollar savings, as appropriate:

1. Benchmarking/Comparative Analysis

Statistical data of comparable districts to Camden's Schools is provided as a basis for making many of the recommendations.

2. Leadership

Significant concerns were identified with leadership roles and communication problems with the administration and Board of Education. It is recommended that the services of the New Jersey School Boards Association and the New Jersey Department of Education be utilized to promote the delivery of a "thorough and efficient" education for the children of Camden.

3. Organization

Recommendations are made to reorganize the central administrative staff that could generate a net savings of \$190,000..

4. Staffing

Findings indicate there is a tremendous excess in staffing throughout the district. Recommendations are made that could result in savings totaling over \$8,138,722.

5. Hiring Practices

Significant problems associated with the hiring practices of the district are reported.

6. Extra Pay

There are many opportunities for employees at all levels to receive extra pay for a variety of purposes. Much of the estimated \$7,000,000 in extra pay is unwarranted and without justification. Through policy revision and better management, savings of over \$2,900,555 can be realized.

7. Contract Negotiations

Recommendations are made for the negotiating of future labor agreements that could save an estimated \$1,301,524.

8. Legal Fees

Recommendation made including employing a full time staff attorney could generate a savings of \$150,000.

9. Insurance

Various recommendations are made for revision of insurance contracts and practices that could generate savings totaling between \$4,980,100 and \$5,130,100.

10. Board Member Expenses

Recommendations are made for policy revision of board member and administrator expenses that would result in significant savings.

11. Transportation

Several recommendations are made in areas of in and out of district transportation procedures, routing, bus capacity, bidding and contracting that could result in estimated savings of between \$1,516,000 to \$2,316,000.

12. Food Service

Through either of two options - one to better manage food service staffing and operating procedures and the other to privatize - the district could save from \$1,452,534 and \$1,956,060.

13. Driver Education

The district can enhance its driver education program for all students by equalizing the programs of the two high schools.

14. Banking and Investment

Through restructuring the compensating balance requirements and bank charges, a savings of \$19,080 could be realized.

15. Technology

Several recommendations in various areas of computer technology are made that could save approximately \$165,000.

16. Special Education

Two options centered on the return of many out of district special education students and reassignment of students to open classroom spaces could save from \$1,274,810 to \$1,574,826.

17. Speech Program

The district needs to examine the speech services provided to its students.

18. Guidance Program

A more equitable distribution of guidance counselors in accordance with Department of Education guidelines is recommended.

19. Health Services

Reassignment of nurses and the elimination of benefits to contracted school physicians could save \$86,400..

20. Parent School Coordinators

Reducing the number of parent school coordinators and changing their contracts from 12 to 10 months when school is in session could generate a savings of \$157,395.

21. Adult Education Program

Consolidation of the district's adult education programs could save \$82,205.

22. School Age Child Care Program (SACC)

Staffing assigned to reflect enrollment/participation in the programs indicate a savings of \$105,030 could be realized.

23. Attendance

Various attendance strategies are recommended that would result in savings of approximately \$566,280.

24. Security

Reductions of 33% to 50% of weekend and holiday security costs could be realized through the elimination of overtime pay for these services.

25. Purchasing, Inventory and Warehousing

Revision of the purchasing and inventory procedures could generate a savings of \$285,997.

26. Custodial and Maintenance

Two options - one to restructure existing custodial and maintenance operations and one to privatize - could save the district from \$2,470,000 to \$3,200,000.

27. Facilities

Recommendations include the elimination of substandard classrooms and vacating the 201 North Front Street building currently being used for administrative and Board offices generating an estimated savings of \$6,310,000.

28. Recycling

By initiating a recycling program with its trash collection, the district could generate an estimated savings of \$50,000.

29. Shared Services

By working in a cooperative and collaborative manner, both the Camden School District and Camden City could save an undetermined amount through shared service agreements.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTION IN
CAMDEN BOARD OF EDUCATION COSTS**

A.	Organization	\$ 190,000
B.	Staffing	\$ 8,138,722
C.	Extra Pay	\$ 2,900,555
D.	Negotiated Agreements	\$ 1,301,524
E.	Legal Fees	\$ 150,000
F.	Insurance	\$ 4,980,100 to \$ 5,130,100
G.	Transportation	\$ 1,516,000 to \$ 2,316,000
H.	Food Service	\$ 1,452,534 to \$ 1,958,060
I.	Banking and Investment	\$ 19,080
J.	Technology	\$ 165,000
K.	Special Education	\$ 1,274,810 to \$ 1,574,826
L..	Health Services	\$ 86,400
M.	Parent School Coordinators	\$ 157,395
N..	Adult Education Program	\$ 82,205
O.	School Age Child Care Program (SACC)	\$ 105,030
P.	Attendance	\$ 566,280
Q.	Purchasing and Inventory	\$ 285,997
R.	Custodial and Maintenance	\$ 2,470,000 to \$ 3,200,000
S.	Facilities	\$ 6,310,000
T.	Recycling	\$ 50,000

Areas of undetermined savings:

Leadership
Board Member Expenses
Security
Shared Services

Total Potential for Savings **\$ 32,201,632 + to \$ 34,687,174+**

**Total Amount to be Raised for
Municipal Tax - (FY 95)** **\$ 9,333,124**
Savings as a % of Municipal Tax * **371.66 %**

Total Budget - (FY 95) **\$ 205,194,997**
Savings as a % of Budget * **16.90 %**

Total State Aid - (FY 95) **\$ 171,349,312**
Savings as a % of State Aid * **20.24%**

***Based upon savings of \$ 34,687,174**

I. BEST PRACTICES

A very important part of the Local Government Budget Review (LGBR) report is the Best Practices section. During the course of every review each LGBR team identifies procedures, programs and practices which are noteworthy and deserving of recognition. Best practices are presented to encourage their replication in schools and communities throughout the state. By implementing these best practices, school districts and municipalities can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

The Camden City Schools do many things very well and cost effectively. The review team was quite impressed with those educators, board members and community persons who exhibited care and pride in their students and the accomplishments of their schools. By example, this spirit of pride was clearly evident in the Cooper's Poynt and Riletta Cream Schools. The principals, staff and students take great pride in their schools and in their accomplishments and exhibit this openly. They demonstrate that great things can be accomplished in a difficult environment by presenting schools that are shining beacons in an impacted community. Just as the review team is unable to identify every area of potential savings, the team cannot cite every area of effective effort.

Following are those best practices recognized by the team for their accomplishments, cost effectiveness and possible replication by others.

MEDICAL ARTS HIGH SCHOOL

The district's Medical Arts High School is a magnet school devoted to the educational development of students interested in a health/services related field. The focus of the school is on a full range of health care including medicine, dentistry, nursing, allied health professions and other ancillary personnel. The program features use of state-of-the-art equipment, field trips to medical facilities, practitioners from professional institutions, internships working with medical professionals at on-site locations and specialized courses in the area of high-tech and medical arts. Community based service and learning cooperative and teamwork skills are required. At the same time, the program provides students with the other courses required in a comprehensive high school education.

The highly diverse student body was surrounded by a pervasive atmosphere of enthusiasm, commitment and eagerness to learn through both academics and hands on involvement. Students must go through a rigorous application process while in eighth grade. They are selected on the basis of several criteria including academic standing, behavioral concerns, attendance record, teacher recommendation and parent and student commitment. Some 100 students per class are admitted. The program is in its second year.

The program has health and community linkages with cooperative support and affiliated planning. Agencies include Our Lady of Lourdes Hospital, Cooper Hospital, West Jersey Hospital, University of Medicine and Dentistry, NJ and Campbell' Soup. Campbell's Soup is a major funding source providing grants to the district purposely for the Medical Arts High School program.

The Medical Arts High was housed in Our Lady of Lourdes Hospital for the past two years. A special referendum was passed in February for \$3.1 million to renovate an existing industrial building to convert it into a permanent school facility for the program. It is projected that it will be ready for student occupancy in September, 1996.

The Medical Arts High School demonstrates the involvement, commitment and partnership between the educational team, medical profession, students, parents and community to foster a meaningful and focused educational opportunity for Camden's students.

PROJECT TEACH

The district trains teachers to use computers through an ad hoc training system known as PROJECT TEACH. This staff development program provides the teachers with a computer for their use in their classroom upon graduating from the training. The teacher also has responsibility to train other teachers as well. The teachers train on their own time at minimal cost to the district. Applications taught include word processing, spreadsheets and general computer technology.

PROJECT TEACH started in 1992 and over 200 teachers have completed the training each receiving more than 120 hours of instruction on various software applications. Over 250 courses have been offered since inception and some 1500 people have participated. The project has been emulated in other districts in New Jersey and continues to be a source of inspiration in the district.

PROFESSIONAL DEVELOPMENT SCHOOL(S)

The district currently operates Professional Development School programs at Cooper's Poynt and Woodrow Wilson Schools. The program is conducted in collaboration with Rowan College and involves staff throughout the district. The stated goal is to "create a lifelong learning community to facilitate higher levels of learning by educating and empowering all children." Student teachers, experienced teachers and other staff undergo training and then interact with students' parents and the community to enhance the delivery of educational instruction to children.

The prevailing feeling upon visiting Cooper's Poynt School was that every effort was being made to assure each student with the maximum opportunity to achieve success. The

school was a beehive of activity beginning with the before school program where students were being actively engaged in learning activities. During the regular school day classrooms were productive learning areas with students and staff interacting, parents were involved in programs and administration was visible moving purposefully throughout the building. The school also had meaningful after school activities including homework programs for students and a GED program for parents.

There was a genuine feeling of pride generated from everyone in Cooper's Poynt School. We noted that all students and staff wore uniforms and were very supportive of that aspect of their program.

FAMILY SCHOOL PROGRAM

Camden City's Family Schools provide a flexible educational program in which all students, parents and staff become members of a large extended "learning family". Positive interactions, mutual respect and commitment to academic excellence are operating norms. Through Family School Human Service Collaboratives, school based health clinics provide health and social care needs of school students and their parents.

By staying in one school for their first nine years (K-8) of education, students and their families experience a degree of stability and continuity in education, health care and human services that are often not attainable.

The Riletta Twyne Cream school is run as a "family school" program with the theme "Success is Expected Here" (and it truly is!). Students and staff wear uniforms and classes appear to be intent on learning the lessons being taught. The school offers a wide range of extra curricular activities. As a family school it interacts with the surrounding community in an effort to respond to the general interests and needs of both the school and the community. The school, in this effort to serve everyone in its area in some way, is open six days a week usually from early morning until late afternoon.

In addition to the regular school program, the school offers an extended day program with extra curricular offerings. The before school program has children assembled in three large groups involving them with art, visual and verbal exercises. All attendees are provided with breakfast. The after school program benefits parents and community members as well as students offering GED programs, girl scouts, tutoring and homework centers.

Success of the program at Cream School is both reflected by and due to excellent attendance by students and staff. Student attendance for 1994-95 was 93% and faculty attendance was 99%. Class size averaged 24 students with a student/faculty ratio of 17.4. Students are highly motivated leading to their successes and Cream School, along with the Family School at Cooper's Poynt, is one of the district's most successful.

COMER SCHOOLS

The Comer School Development Program is a comprehensive, process driven approach to school transformation developed over 25 years ago by Dr. James Comer of the Yale Child Study Center. The program galvanizes a school community around what is in the best interest of children. It focuses on human relationships and human development, and on integrating everyone into the learning community. The Comer process is a mental health program, a parent involvement program and a school climate improvement program. It has changed the way educators conceive of and carry out their work. There are seven Comer Schools in the district.

PORT OF ENTRY TRANSITIONAL SCHOOL

Students from Spanish speaking and Haitian Creole speaking backgrounds, who because of their low level academic experience and achievement in relation to age, upon entering the district are placed in the Lincoln Port of Entry Program. Staff work with small student groupings to develop the level of English proficiency needed to enable integration with their peers. Students observed displayed both an eagerness and pride to demonstrate progress achieved in their quest for English language proficiency.

COMMUNITY PARTNERSHIPS

There are a number of community businesses and agencies that contribute to and support the Camden City Schools. In addition to the overwhelming support of the Medical Arts High School by those agencies indicated earlier, there are others lending time, talent and financial support in other educational programs, schools and district initiatives. Another such example is the initiative by Power 99 Radio and HMO/BBLUE to improve student attendance, a critical issue in Camden that has caused the district to not receive state certification.

Power 99 and HMO/BBLUE provide incentives and rewards for perfect attendance. These include appearances on the radio, gift certificates to restaurants, bicycles, pizza parties for perfect attendance classes and a grand prize of a trip to Disney World.

MULTI-AGENCY LIFE LINE (MALL)

In 1993, the police chief and representatives of the Camden Police Department met with representatives from various social service, law enforcement and non profit agencies to discuss the formation of a coalition among family service agencies and the adoption of a specialized program. Since that time representatives from the following agencies have met regularly to address the conflicting issues facing today's youth: Camden City Police Department, Family Court Intake Services, Camden Board of Education, Camden County Prosecutors Office, Camden County Juvenile Probation Office, Division of Youth and Family Services, Family Counseling Service and The Bridge.

The purpose of forming this coalition was to provide a unique method of delivering service needs to the youth and their families through a series of preventative, diverse and enforceable steps through the creation of a "one stop shopping" network to unite all juvenile agencies under "one roof". Given this unique feature, the project was accordingly named The Mall.

The objectives of The Mall are as follows:

1. To provide intensive short-term family intervention for 300 youth and family members.
2. To provide counseling groups that focus on education and support services for 100 youth and family members.
3. To provide referrals to and advocacy in obtaining services and education for 500 youth and family members.
4. To provide education through a battery of 300 professional and community members on topics related to inappropriate adolescent behavior and how family involvement can be used as a solution.
5. To provide training and supervision for 30 youth and adult volunteers who will assist with the task of achieving the goals of The Mall.
6. To provide recreation and social activities for 100 youth and family members.
7. To provide routine evaluations of the services provided, through a series of follow-up questionnaires to clients, and other agencies in The Mall, during the course of family intervention and after termination of services.
8. To meet with other service providers in The Mall, and the Camden City Police Department on a monthly basis, and to share pertinent, not withstanding confidential information, relative to the treatment of families in crisis.

Similar programs have been in place in Florida and Ohio and other states that have chosen to revamp their juvenile justice systems (Governor's Advisory Council Report 1994). This concept was introduced in New Jersey in December, 1994 as a result of Executive Order No. 10. This order established the Juvenile Justice Commission under the jurisdiction of the Department of Law and Public Safety - Juvenile Justice Advisory Council.

The Mall partnership is involved in many areas, including:

Alcohol, Drug/Codependency Counseling	Behavioral Counseling
Career Planning	Employment Counseling
Entrepreneurship Training	Family Therapy
Gang Violence Intervention	Individual and Family Counseling
Information Referrals	Interviewing Skills
Mental Health Services	Mentorship Programs
Parent and Youth Counseling Groups	Peer Counseling
Recovery Groups	Runaway Services
School and After School Programs	

Missing, however, from this listing is the district's attendance problem. This matter has been discussed and is an issue the agencies recognize as serious. The Mall has committed to give their attention and assistance to this problem.

This is yet another opportunity and example of collaborative and shared effort by the district and community resources for the betterment of the Camden schools and community.

INTERDISTRICT OUTREACH PROGRAM

The Interdistrict Outreach Program is a diverse program that has been implemented to foster understanding and respect for people of different races, gender, or cultural heritage through multicultural and curriculum based activities. Host and partner schools such as those from neighboring Cherry Hill and others and Camden plan activities, projects and field trips centered on core curricula subject areas such as reading/language arts, math, science and social studies where appropriate. Activities are designed to help the child become more comfortable with individual differences as well as accepting of others.

The ultimate goal of Interdistrict Outreach is to promote positive attitudes and develop an increased awareness of the cultures of others. This type of multicultural education helps students experience the cultures to which they previously have had no exposure or contact, while affirming their own culture. These skills are invaluable to students as they continue to interact in a society that is becoming increasingly more multicultural.

SCHOOL UNIFORMS

Members of the LGBR team visited all school sites and come away very impressed with the schools where students and staff wore uniforms. Students and staff exhibited pride in their schools. The schools were orderly and neat in appearance. Students were also uniformly neat and very well behaved. Learning was evident in well run classrooms. Attitudes by all were extremely positive. The atmosphere was conducive to a safe and comfortable learning environment.

The best example of the schools exhibiting such a positive environment were the Cooper's Poynt and Riletta T. Cream Schools.

There has been much discussion and debate in the state and across the nation over the issue of school uniforms for students. In studies of schools where uniforms have been required the impact upon behavior of students and learning has been reported as positive. Proponents of school uniforms claim that they foster discipline, self-esteem and school pride. Violence and disputes over coveted clothes or pricey tennis shoes and designer name jackets are curbed. Gang recognition clothes become nonexistent.

The Long Beach, California Schools require the wearing of school uniforms. Reports of the results of this relatively recent requirement have been overwhelmingly positive. Fighting has been reduced dramatically. Gang activity and recognition has disappeared from the schools. The carrying of weapons has become nearly non-existent. The affluent vs. poor dress differentials and related attitudes and problems have gone away. The students consider the uniforms as their "work clothes" and focus more on school work. This has resulted in improved academics.

Opponents state uniforms make little difference, that a shared commitment is what results in positive outcomes. Further, they state that improved academics are the result of other initiatives and not the wearing of uniforms that make a difference. They state too that individuality of students and freedom of expression are taken away through wearing uniforms. In Long Beach, they argue that uniforms do not reduce student differences because freedom of expression and thought still exist - that you are still who you are.

If the outcomes of wearing uniforms are nearly as positive as those in the two Camden schools, the LGBR team supports this concept.

II. FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operation and financial savings to the district and its taxpayers.

In its study, the review team came to the clear conclusion that there is need for strong review and oversight of and by the leadership of the Camden City School District. There are many problems that are systemic and long standing. These will be pointed out and documented in the findings and recommendations of this section. Some problems were shared and repeated frequently throughout the interview process. Many were brought to the attention of the review team unsolicited and some were provided anonymously. These, where possible, were verified by multiple sources.

While doing the on-site review, the district was undergoing Cycle III, Level 2 Monitoring under the direction of the Camden County Superintendent of Schools, was under investigation by the New Jersey Department of Education's Office of Compliance for various irregularities, and was being investigated by legal agencies such as the Federal Bureau of Investigation (FBI) and others for possible criminal activity. LGBR findings and recommendations do not conflict with or contradict the findings or directives of these agencies.

The recommendations contained in this report should be reviewed by the Department of Education and considered as possible directives for the Level II process that the Department is currently conducting with the Camden City School District.

The greatest concern to the review team is that educational dollars intended for the use and education of children are instead going to adults. A most telling statistic is the nearly one to one ratio of adults hired compared to the increased pupil enrollment in recent years. In 1990-1991 there were 19,341 students and 3,111 full time employees. In 1994-1995 there were 19,909 students and 3,408 full time employees. Currently ('95-'96), there are 19,990 students and 3,726 full time employees. This represents an increase of 515 employees while the enrollment increased by 649 students. Other examples of potentially misplaced priorities include special needs Education Improvement Plan (EIP) moneys intended for the education of children going to adults will be illustrated in this section. These include payment for perfect staff attendance incentives, extra pay for principals and teachers, excessive overtime pay, jobs for parents and other community members and for various attempts at social reform.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be

reflected in the immediate budget, future budgets, and tax rates. Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings could lead to a stabilization in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement. Dollars must even be redirected to the students and for the educational improvement as originally intended.

BENCHMARKING/COMPARATIVE ANALYSES

A major problem the Local Government Budget Review (LGBR) team had in reviewing the Camden City Schools was with the discrepancies between numbers from one document or source to another. Whether reviewing budgets, audits, CAFR reports, ASSA reports, personnel records, payroll records, December 1 Special Education Plan 2 reports, or student rosters, the numbers rarely matched. The range of discrepancies was astounding. Therefore, the LGBR took the information available and did our best to ascertain numbers for comparative analysis. The team's counts and dollar figures throughout this review are as accurate as possible, but given the conditions of the original data are at best, in some cases, estimates.

Many of the recommendations made are based upon comparative analyses using Department of Education data in comparison with districts of similar size and demographics. School districts used for comparison with Camden were the Elizabeth and Paterson schools. As appropriate, other special needs districts and state figures were used to establish benchmarks. The chart that follows illustrates much of the data used.

Camden Board of Education

Based on Audit Report as of June 30, 1995

8/14/98 23

LEADERSHIP

As stated earlier, there is a strong need for review and oversight of the leadership of the Camden schools. The Board of Education micro-manages many operations of the district showing little regard and respect for the administration. They participate directly in the selection process when hiring, assigning and reassigning personnel without administrative input or knowledge, call and run meetings of departments and involve themselves in other administrative functions. They have demonstrated a high level of disregard for the administrators and their capacity and responsibility to carry out the district's administrative and managerial functions, procedures and controls inherent in the effective operation of the district. They tend to neglect their own mission as board members responsible for district policy making and stewardship.

Board members generally expressed a distrust and lack of respect for the superintendent. Several members and other persons, including administrators and staff within the organization, indicated that he lacks leadership skills. Board members state they are given insufficient data to make informed decisions and that some items appear on meeting agendas that were not discussed at previous work sessions or committee meetings.

In turn, the central administrators are not cohesive and cooperative in carrying out the mission of the schools. The district philosophy of "Together, Everyone Achieves More" (TEAM) is not practiced. The top administrators do not assert leadership over middle and lower level management nor do they have their respect. Lower level managers are not closely supervised and often act on their own. They do not concern themselves with being disciplined.

As a result, the "ship is sailing without a rudder." This results in tremendous waste of resources and funds. Also, as stated earlier, the citizens of New Jersey are stakeholders in the Camden City Schools with the provision of more than \$170 million in state aid.

Based upon these findings and the overwhelming inefficiencies of the district, it is the recommendation of the review team that the district take immediate action to address these problems. The LGBR team suggests the Board contact the New Jersey School Boards Association (NJSBA) to perform a board evaluation and provide workshop experiences for all board members and central administrators on board member relations, board/administrator relations, board and administrator ethics and board responsibilities.

Further, it is the recommendation that the New Jersey Department of Education (DOE) utilize its resources through the Camden County Superintendent of Schools to more closely monitor and scrutinize the actions of the Board and administration in the governance of the Camden City School District. We believe the interests of the New Jersey and Camden City taxpayers need to be served and protected.

ORGANIZATION

The district has reviewed and revised its organizational structure twice in recent years. This occurred first in 1992 under the former superintendent and was adjusted in 1994 when the current superintendent was appointed. Changes are occurring once again with the recent retirement of one of the assistant superintendents. The Board and Superintendent have decided not to fill this position and to reallocate his former areas of responsibility. The review team concurs with this decision.

It is the further recommendation of the review team that the Board of Education contract an independent firm to conduct a district wide management performance audit. Its objectives shall be the evaluation of current administrative structure and to recommend the most efficient and effective organization of the district. It is strongly recommended the audit be conducted by a consultant firm that will have the integrity to do a completely independent study that is neither client nor fee driven. Cost - estimate (\$200,000)

It is our and the opinion of others that the current organizational structure is ineffective and divisive at the upper central office levels and heavily layered at the middle and lower levels of administration. The overall administrative costs are excessive.

Administrative costs reported in the district's Comprehensive Annual Financial Report (CAFR) were misallocated and understated. This made comparison with other districts difficult. The team combined function 230 - General Administration with function 240 - School Administration and function 290 - Business and Other Support Services in order to perform an accurate comparative analysis with the Elizabeth and Paterson School Districts.

For total administrative costs per student Camden spent \$1,963 while Paterson expended \$1,648 and Elizabeth expended \$1,570 per student for administrative costs. While it is clear that Camden spent from \$315 to \$393 more per student than the other districts, the team did calculations based upon equalized student populations in order to establish the extent of the excessive costs and to interpret the differences on a leveled platform. The team used this approach as Paterson has 3000 more students than Camden and Elizabeth has over 3000 fewer students. Utilizing this technique, it is determined that Camden spent \$6.26 million more on administration than either Paterson or Elizabeth did. This is illustrated in Table #2 as follows:

Table #2

# of Students	Camden 19,909	Paterson 23,096	Elizabeth 16,505	<u>Levelized Population</u>	
				Paterson 19,909	Elizabeth 19,909
Instruction- Regular Programs	45,972,841	68,578,234	40,981,506	59,115,174	49,433,554
Special Education	12,017,235	12,426,626	8,043,241	10,711,885	9,702,083
Basic Skills-Remedial	15,227,461	13,360,775	3,891,751	11,517,132	4,694,388
Basic Skills-Bilingual	1,745,627	3,754,499	5,193,639	3,236,418	6,264,778
Local Vocational	1,435,161	-	6,935	-	8,365
Activities	3,989,172	589,931	1,090,430	508,527	1,315,321
Instruction - Undist. Expenses	10,221,708	21,396,440	9,130,210	18,443,961	11,013,229
 Total Instructional Cost	 90,609,205	 120,106,505	 68,337,712		
 Total Instr. \$\$	 90,609,205	 120,106,505	 68,337,712		
At Camden's Enrollment	90,609,205			103,533,097	82,431,718
 School Admin.	 13,386,262	 7,847,940	 5,378,621	 6,765,009	 6,487,911
General Admin.	586,474	5,011,441	2,575,427	4,319,916	3,106,584
Business & Other Support Srv.	25,100,907	25,206,658	17,962,752	21,728,410	21,667,400
Total Admin. Cost	39,073,643	38,066,039	25,916,800	32,813,334	31,261,895
 Total Admin \$\$	 39,073,643	 38,066,039	 25,916,800		
At Camden's Enrollment	39,073,643			32,813,334	31,261,895
 Attendance and Social Service	 682,607	 389,805	 57,692	 336,016	 69,590
Attendance & Health Service	1,938,367	2,437,379	1,605,383	2,101,047	1,936,478
Other Support Service	3,717,472	8,780,938	6,407,695	7,569,263	7,729,221
Improve. of Inst. Serv.	2,685,154	3,606,466	1,890,379	3,108,812	2,280,252
Media Serv./Sch. Library	1,858,626	1,810,111	1,499,605	1,560,335	1,808,884
Operation of Plant	27,127,440	17,919,317	18,043,606	15,446,644	21,764,929
Total Support Services	38,009,666	34,944,016	29,504,360	30,122,117	35,589,355
 Total Support \$\$	 38,009,666	 34,944,016	 29,504,360		
At Camden's Enrollment	38,009,666			30,122,117	35,589,355
 Transportation	 6,087,966	 6,935,999	 3,968,911	 5,978,906	 4,787,461

Source: 1994-5 CAFR

Through numerous interviews, observations, review of a substantial amount of materials, school site visitations and attendance at various meetings, a clear understanding of the district's operation was developed. It became quite evident that the separate divisions for Regional Schools and for Curriculum and Assessment have not been educationally effective. They have instead, been counter productive.

The team has observed that this administrative structure has divided administrators and staff rather than promoting cooperation and unity. Lines of authority and responsibility are not clearly defined causing substantial confusion in addressing student and staff needs. Lines of communication were also unclear. Loyalties are divided. Interviewees consistently expressed concern over crossing perceived turf boundary lines; noted not being able to talk to the appropriate administrator; bemoaning time lost going through channels on obviously routine matters; and stating that they frequently failed to get needed information in a timely manner to get a job done, or worse, not receiving a response at all on an important issue.

Lines of supervision and reporting responsibility were also not clearly defined. Supervisors are housed under Regional Schools but have duties and responsibilities under Curriculum and Assessment. Principals and others aren't sure which division to go to for assistance.

It is predicted that the recommended consultant management study will not only make organizational changes but will make administrative cuts to right size the total administrative staff. The Local Budget Review Team makes the following suggestions for central administrative organizational change(s):

- Superintendent's Office (Positions reporting directly to the Superintendent)
 - Business Administrator/Board Secretary (also reports to the Board in areas specified by law and code)
 - Assistant Superintendents (2)
 - School Attorney (new position)
 - Director of Personnel
 - Affirmative Action Officer
 - Public Information Officer
 - Monitor General (new position - reports to the Commissioner of Education. Would consult and advise the Board and Superintendent but not have "veto" power)

- Assistant Superintendent for Curriculum and Instruction
 - Elementary and Secondary Education
 - Special Services
 - Bilingual/ESL Programs
 - Vocational and Adult Education
 - Curriculum and Assessment
 - Research and Technology

Assistant Superintendent for Administration and Support Services

Grants Administration and Government Funding

Compliance and Monitoring

Health and Human Services

Guidance

Attendance

Management Services

Staff Development

Community Liaison (Community Relations/Coordination, Business and
Education partnerships, Parent and community involvement, etc.)

Business Administrator/Board Secretary

Business Services (accounting, budget reporting, record keeping, etc.)

Purchasing (including bills payable, inventory control, etc.)

Plant Services (including custodial, maintenance, contractual services,
property, capital improvement, etc.)

Food Services (total enterprise fund operation including staffing)

Security

Transportation

Employee Benefits

This proposed central administrative organizational structure would entail reassignment of current staff, reduction of some staff and the addition of some positions. Suggestions include:

-eliminate the position of Assistant Superintendent for Support Services position
listed as vacant **Savings \$100,000**

-eliminate the position of Assistant Superintendent for External Resources
position recently vacated (as has been recommended by the Board and
Superintendent) **Savings realized \$100,000**

-eliminate the secretarial and clerical support staff for the two positions above (4-5
positions) **Savings \$100,000**

-create the position of School District Attorney (to be addressed later in this
report with anticipated savings)

Total Net Savings including benefits at 30% \$390,000

Estimated costs (management audit) 200,000

Net Savings \$190,000

STAFFING

Staffing at all levels needs to be reviewed and justified. The Camden Schools have far too many employees. By review team count, the district has 3,726 contractual employees. This does not include the food service employees nor part time and substitute employees. By comparison, Paterson has 3,360 employees and Elizabeth has 2,449 employees. The ratios of employees to enrollment indicates that Camden has 5.34 students for each employee. There is one employee for every 6.31 students in Paterson and one employee for every 6.74 employees in the Elizabeth Schools. Paterson has 36 school sites and Elizabeth has 25 as compared to Camden with 33 sites. For further comparison, the Newark City Schools employ a total of 8,373 employees with over 48,000 students at 89 school sites. Based upon an average of the number of employees per student in the comparative districts, it would be reasonable to project that the Camden Schools could operate with approximately 3,063 total employees which is approximately 663 less workers. Realistically, the staff could be reduced by some 400 to 500 staff members.

By far, the greatest excess of employees work in the central administration building. Some 377 people as listed in the '94-'95 directory are employed in these offices. There are layer upon layer of middle management, lower management and support personnel. Clerks even have assistant clerks. The system needs to be flattened to remove waste and unneeded positions in the central office. Other areas of excess include unrecognized title positions such as administrative assistants and assistants to, instructional assistants and aides, and food service workers. All areas require staff reductions to reach more appropriate levels.

To his credit and commendation, the superintendent made significant staff reduction recommendations to the Board of Education during recent budget preparations. His recommendations included 30 positions to be cut in the central office representing \$1,610,185. Further, he recommended that an additional 133 positions at the school level be cut representing an additional \$5,191,000. In total, the Superintendent proposed a total of 163 positions be reduced at a savings total of \$6,801,185. The review team fully supports the reductions and encourages the Board to support and act upon them. The Board will need to stand firm in the face of union, employee and community opposition.

It is also to the Superintendent's credit that he is reviewing the value of positions as he recommends reductions and has recommended combining positions to reduce unneeded and redundant responsibilities. Examples include the merging of adult education and vocational directors into one; merging Health Services with Human Services; redeploying staff to cover retired personnel's duties through attrition; reassigning duties of the Assistant Superintendent for External Resources and not filling two principalships by assigning others to the vacated school programs.

The review team feels, however, that this is just a beginning, that there needs to be more staff reductions. These include the district's many unrecognized titles. It appears that many employees hold such titles because they cannot meet state certification requirements

for recognized positions. We believe that this circumvention of the rules creates unnecessary jobs and provides employment to unqualified persons.

It is recommended that the district review and restrict the use of unrecognized titles with a view towards the clarification of the titles to be used in the future and to eliminate most of these. The district should review and if necessary redefine the duties and responsibilities of its principals, supervisors, assistant and assistant to principals, resource teachers, and teacher mentors. Substantial savings could be realized if a number of these positions were reduced. Additionally, some existing programs could be combined thereby allowing for the potential closure of certain sites.

Persons who do not hold appropriate certificates to be in supervisory and principal (assistant and assistant to the principal) positions should be required to earn proper certification or lose their positions. They should be given a maximum of two years to do so. Those who hold only a bachelors degree and who are not within sight of this goal should be removed from their assignments. The quality of the school system would be greatly enhanced by having qualified personnel in required and needed positions. We are convinced that numerous positions in the district could be eliminated without having an adverse impact upon the delivery of a quality education for its students.

The Superintendent expressed concern that several of the administrative assistants and assistants to the principal are of Hispanic origin and are placed in schools with a high Hispanic student enrollment. He felt to remove them would be a disservice and problem to the Hispanic community. The review team feels that qualified and certificated Hispanic administrators should be recruited and those near having proper certification as principals or supervisors should be encouraged to pursue getting certification. It is of far greater service and honor to the Hispanic people to have Hispanic administrators who are certificated in positions of importance than to give jobs to those who are not qualified and whose performance will not serve the interests of the students.

The review team recommends an additional 50 positions be eliminated from the central office. Reductions should come from the ranks of the middle/lower managerial positions, i.e., Administrative Assistants of which there are 17 and from the clerk/clerical aide/clerk typists of which there are approximately 130 in the central office. In addition, it is recommended that the force of almost 700 instructional assistants be cut by almost one-half. In some schools the number of instructional assistants outnumber the number of teachers. Most have no educational qualifications whatsoever and are of little value to the learning of children. Some 275 school level employees, predominately instructional assistants, could be reduced without a major educational impact. At least half of the 40 building level Administrative Assistants/Assistants to the Principal (20) should be cut and the balance required to acquire the proper certification.

An example of a department that is over staffed is the Personnel Department. This office presently includes a director, two administrative assistants and 15 clerical positions plus a

secretary. This represents a total salary of approximately \$435,852 plus an additional \$130,756 in benefits totaling \$566,608 for this one administrative function.

Staff reductions suggested above would realize a total savings in salaries and benefits of \$8,038,651. The breakdown for this total is as follows:

40 clerical positions with an average salary of \$19,325 equals	\$ 772,988
plus benefits (30%)	\$ 231,896
sub-total	\$1,004,884
10 central administrative assistants - average salary of \$54,131 =	\$ 541,310
plus benefits (30%)	\$ 162,393
sub-total	\$ 703,703
20 assistant to principal positions - average salary of \$55,969 =	\$1,119,380
plus benefits (30%)	\$ 335,814
sub-total	\$1,455,194
275 instructional assistants - average salary of \$13,636 =	\$3,749,900
plus benefits (30%)	\$1,124,970
sub-total	\$4,874,870

Grand Total Savings	\$8,038,651
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The custodial and food service staffing will be addressed separately with recommendations for further reduction.

The teaching staff should also be reviewed. Specific recommendations for reduction of teachers is not addressed in this report. However the review team did notice inequities from school to school in instructional staffing. A study of numbers of teachers per school, class size, and schedules should be conducted by the district. In addition, it has been determined that a large number of teachers lack appropriate certification or have emergency certificates. This is especially so for special education teachers where it has been determined that approximately one-third have emergency certificates. In some buildings as many as half lack full certification. It is recommended that the district stop hiring teachers without standard certificates. Further, it is recommended that the district implement a plan to require all teachers currently holding emergency certificates to complete all requirements for standard certification within three years or be terminated.

The duties, responsibilities and activities of the parent and school community coordinators need to be reviewed to ascertain if these are needed at current staffing levels and if they should be full time positions. These positions should also be reduced from 12 months to school year contracts (10 months). This reduction alone (12 to 10 months) would save approximately \$100,071.

Savings	\$100,071
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Total Savings - Staffing	\$8,138,722
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HIRING PRACTICES

“Hire! Hire! Hire!” were the echoing words of the farewell comments made by a board member who resigned to take a seat on the City Council. This is an attitude as well as a documented practice of the Board of Education. They take great pride in and speak openly and often of the fact that the Camden Schools are the largest employer in the city and one of the largest in Camden County. They also have the attitude that they are being altruistic and doing great good for the city with their wholesale hiring.

The true fact is that the excessive hiring and the glut of unneeded jobs given out are a real disservice to the children and their education. The review team feels very strongly that educational dollars are being wasted on adults and not for the education of children. It is also a disservice to the local and state taxpayers who provide the funding to the Camden Schools to provide a thorough and efficient education for Camden’s children. These funds are not intended as welfare moneys for the unemployed. This is not a responsibility or function of the Board of Education. There are other city and state agencies for these adult purposes.

Recent quotes made by Board members at public budget presentations include, “The dead reality is Camden city cannot afford to adequately educate its children ... with the money that Trenton is sending us.” and “With all that our children come to school not knowing, Camden can ill afford to reduce educational programs.”. The ‘dead reality’ is that the State provides the highest percentage of state aid to the Camden Schools than to any other district in the state, including those under state takeover.

Even worse than the excessive hiring are the hiring practices of the Board and Administration. Board members and administrators hire immediate and extended family members and hire friends and supporters. They also promote for the same reasons. New hires and promotions are often not qualified and often not the best candidates who have applied.

The Board currently has a nepotism policy, #4112.8, that states, “Persons related by blood or marriage to a school official (board member or administrator) **may** be employed in this district ...”. A revised nepotism policy was introduced at the December, 1995 Board of Education meeting that stated as a provision, “The Board of Education, in order to avoid the appearance of conflict of interest in employment, will not appoint a family member of a board member or of an administrator to any position in this district, ... “. It went on to make like provisions for supervision and promotion of family members. The member who introduced the motion even stated the policy revision could be grandfathered so that it would not impact upon any persons already employed. The first reaction of the remaining members at the December meeting was silence, then the motion was tabled without comment. The motion has not returned to the table for consideration or action. It is the strong recommendation that the introduced revised nepotism policy be reintroduced and enacted. A similar nepotism prohibition policy exists in the vast majority of the districts in the state and in the nation.

The impact throughout the district is that principals and directors feel that they are often compromised in their efforts to recruit and select the best and most qualified staff for their schools. Also, fear of reprisal limits supervisory staff from administering appropriate discipline to these favored employees.

A review of the district's ethics forms which must be filed annually with the state, determined that it is common practice to hire immediate family members of board members and administrators. Twenty-five family members of board members are listed on the ethics forms as employees of the Camden Schools. One board member listed 11 family members. The Superintendent listed four family members on the schools' staff. A review of Federal W-2 Wage and Tax Statements for 1995 revealed these numbers are understated. The Superintendent, for example, had seven family members on the payroll for 1995. The ethics forms and W-2 Statements only reveal reported family members. They do not report friends and other such jobs awarded or influenced by board members and administrators.

The above cites by example the hiring practices that are common to the district. It only scratches the surface. Other administrators throughout the district have influenced the hiring of family members and others. Part time employees and substitutes employed regularly are also related to school officials. One union official stated the only way to get a job in the Camden schools was to know someone.

A recent study conducted by The New York Times and printed in series on May 13 and 14, 1996 documented the negative impact of nepotism and patronage hiring on student learning and test scores in New York City. It stated that the employees and leaders hired by these practices were often unqualified, lacked motivation, were often no-show workers and even resorted to theft and other activities for personal gain. Documentation illustrated that students suffered through lack of proper instruction and supervision, not having adequate texts, supplies and learning materials and having to attend in unsafe and unclean facilities. The hiring practices in Camden and student results due to these practices are mirrored in the Camden schools.

A more recent Times article published on May 19 focused on these patronage and other problems in Camden City. In reference to receiving grants and funding due to the city's poverty, Board President Rosemary Jackson was quoted as saying, "All it did was create a social service organization bigger than any Fortune 500 company. The money never trickled down to the people. It just created a bureaucracy and allowed the party bosses to control this plantation."

The review team was struck by the large number of married couples employed by the district. This raises concerns over the duplicate fringe benefit coverages going to households which is addressed later in a section addressing insurance

Another impact of nepotism within in the district is the impact on the collective bargaining process. In fact, it would appear that under the guidelines of the state ethics code, as it pertains to negotiations and voting on labor agreements and contracts, there could be insufficient number of board members available to make a quorum to vote. Board members are precluded by ethics rules from participating in the negotiations process and from voting upon contract ratifications which would impact upon their family. This would include the Superintendent and any other administrators involved in the negotiations process.

EXTRA PAY

There are many opportunities for employees at all levels to receive extra pay. Month after month the Board of Education approves resolutions for extra pay to their employees. Most months these extra compensation approvals exceed \$100,000. Many of these opportunities are budgeted in the current expense budget. Others are funded through Education Improvement Plan (EIP) moneys and through Title I and other grant funds. Others are not budgeted at all resulting in over expenditure of accounts and budget transfers taking funds from areas of need.

Extra pay is provided for a variety of purposes. These include after school and Saturday tutorial and enrichment programs, before and after school child care, athletic and extracurricular programs, incentive and reward payment and the like. In addition, extra pay is provided for overtime and part time opportunities. Some extra pay is given for employees who have second jobs within the district.

According to payroll and Federal Withholding Statements (W-2 forms) some \$7,251,387.64 was paid in 1994-1995 as extra pay to 3,714 employees. Almost all employees received extra pay for some purpose. The range of those receiving extra pay is from less than \$100 to a high of \$21,236.90 which was paid to the Superintendent increasing his contractual salary from \$115,000 to \$136,236.90. Another employee, an Administrative Assistant received \$20,216.65 in extra pay, a 52% increase over his base pay. Some 70 employees received over \$10,000 in extra pay in 1994-95. The average in extra pay to all employees was \$2,032.91.

Some other startling figures and examples of excessive extra pay include: \$120,966.82 in extra pay going to administrative assistants, \$65,489.27 going to assistant and assistant to the principals and \$90,334.55 going to principals; over \$300,000 going to clerical staff; and nearly \$600,000 going to instructional assistants. Other recipients of extra pay include custodians (\$756,014), mechanics (\$137,253 for 35 employees) and security (\$299,287 for 73 employees). The four assistant superintendents including the Business Administrator averaged \$8,159.25 in extra pay. Examples of other individuals who hit home runs with extra pay include a secretary who received \$13,440 increasing her pay by 41%, a computer teacher reflecting a 40% increase through extra pay, and several custodians who received more in extra pay than in their base pay. Several others received

in excess of 50% of their base pay including an electricians helper who received 67% over his base. Four mechanics received over \$15,000 in extra pay equaling over 60% of their base pay. Seven guidance counselors were paid over \$10,000 in addition to their base pay. Three of the eight watchmen made in excess of \$10,000 over their base pay with one receiving \$17,459.46 in extra pay while his base salary was \$17,896.57 (98% extra).

This illustrates once again that taxpayer dollars are going to reward adults and not, as intended, to educate children. This extra compensation constitutes a substantial expenditure of taxpayers funds without a reasonable educational return for students.

The resulting recommendation is obvious. The Board of Education must curb this excessive payout of millions of dollars in extra pay, most of which is not justified nor warranted. A very careful scrutiny of the who, where and why of extra pay must be done. Board members complained loudly at meetings when resolutions for extra pay were put before them but voted for approval.

There are many strategies to reduce this waste for extra pay. The review team suggests a few. First, no overtime should be permitted without the explicit approval of the Business Administrator. Lower level administrators routinely give out over time assignments. They use it as a means of control. It is reported that they do so as favors and rewards to some and withhold overtime to others as discipline or because they do not like individuals seeking the opportunity. It has also been reported that time sheets are signed and submitted for time not worked. An investigation of time card fraud is taking place by the Department of Education's Office of Compliance.

Lower level administrators including the food service director and maintenance/custodial supervisors should not have the authority to hire part time and temporary workers. This has been the practice causing many concerns including impropriety, budget shortfall and others. Recently the Board, at the recommendation of the Business Administrator, dismissed 47 part time workers. At least one had worked as a "temporary" steadily for over two years as a mechanic. Another, the Superintendent's son, is listed as a temporary employee with a base pay of \$35,221 received an additional \$9,505.72 in extra pay totaling \$44,726.72. He was not one of those who were released. Most of these had never been approved by the Board of Education. Others were approved as substitutes. Some were working sufficient hours to receive overtime pay often at the expense of regular contracted employees who desired the overtime opportunity. Several were not screened with criminal background and reference checks nor were they ever fingerprinted as required by law. These temporary unauthorized hires by subordinate administrators were not budgeted causing budget line item transfers to cover the shortfall.

All after school, evening, Saturday and summer programs should be evaluated for their need and worth as well as the need for the number of employees serving each. Observation of several programs by the review team questioned this value. Many of those indicated as tutorial appeared to be nothing more than latchkey type child care programs.

The number of assigned professional and support staff at high hourly rates did not appear to be warranted.

Further, the negotiations agreement with the administrators does not stipulate the hours or length of the work day nor does it stipulate that extra pay should be provided for supervision of after school programs extending beyond 4:00 PM as has been the practice. Therefore, there may be no entitlement for extra pay for principals, assistant principals and assistant to the principals. The review team feels the practice of paying these administrators extra pay for after school programs should stop immediately. We believe that the supervision of these programs comes with the territory and they should not be paid extra. Extra pay for administrators should only be provided for contractually designated and directed programs by the Board that occur outside of administrative contract hours as assigned by the Board. The cost of these benefits is estimated to have been approximately \$195,000 for 1995.

A third suggestion for reduction of extra compensation is in the area of custodial, security and watchman overtime to cover third shift (after 11:00 PM) and weekends. The practice has been to award these persons with overtime opportunities by paying them time-and-one-half for this coverage or even double-time pay for Sundays and holidays. The recommendation is to structure flex-time scheduling of the workweek by having some personnel work a Tuesday - Saturday or even a Sunday - Thursday schedule rather than the traditional Monday - Friday work schedule. This would eliminate the need for most weekend overtime at higher compensation rates. In addition, some staggering of workday hours could be done to reduce regular workday overtime. The same strategy could even be utilized for some professional and support staff for supervision of after school programs. Some assistant administrators could report later in the morning and extend the workday proportionately to cover these activities.

The differential in pay for second shift employees should also be eliminated. There is no justification for paying people more just because of time of day worked. There are sufficient numbers of unemployed workers in Camden (17% unemployment rate) that would be delighted for the opportunity to have a job regardless of time of day.

Another area of pay abuse is the aforementioned time card situation that is under investigation. Notices are posted stating that employees shall not punch other employee time cards indicating those who do are subject to discipline or even dismissal. This is blatantly and routinely ignored. Not only was this repeatedly reported to the team but a review team member observed a board office employee punch out five time cards at the end of a work day. We were unable to determine whether the other four employees had worked a full day or even worked at all.

The board should investigate the extra pay for department heads and those employees receiving extra pay for responsibilities that are already considered to be within the scope of their job descriptions. The district's records indicate that some department heads only

supervise two or three people. Extra pay expenditures could be reduced in both of these areas.

Based upon these suggestions and new policies developed by the district, it is conservatively estimated that the current extra pay expense of over \$7,000,000 can be reduced by 40% or \$2,900,555.

Savings \$2,900,555

NEGOTIATED AGREEMENTS

The Board of Education will need to reexamine its negotiated contract agreement provisions with a critical eye at what is reasonable, fair and affordable. Many of the provisions of the current contract do not meet this criteria. In addition, they are not in the best interests of the educational community or its students. The Board may have to act on the basis of reasons of economy to make rational changes if they cannot be renegotiated. This will not be accomplished without a fight but one worth the cost and the effort.

Supporting this concept of addressing the shrinking dollar as it relates to labor costs in the public sector, especially in the school districts, and the inherent public discontent is a statement in the New Jersey School Boards Association (NJSBA) Data Sourcebook that states:

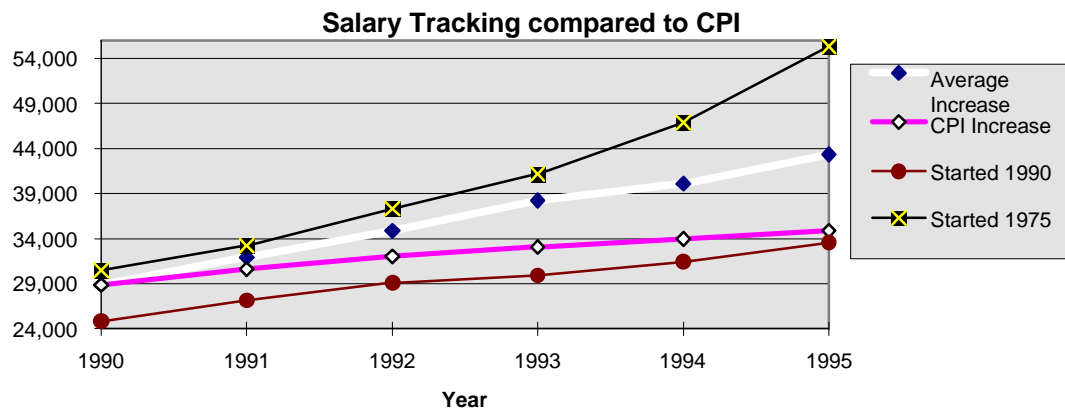
“Given the current economic difficulties and lack of public support for high settlements, it can be anticipated that the trend toward lower settlements will continue and intensify. Furthermore, the cost containment is being expanded to areas, i.e., insurance, payment for unused sick leave, and other stipends previously considered to be part and parcel of a fair contract.”

In March of 1996, the Board adopted recently ratified contracts for teachers and administrators and have recently adopted the contract for the custodial and maintenance units. These negotiated agreements call for salary increases of 5% each over the three years of the contracts through June 30, 1996. Compounded, this represents a total increase of 15.76% for the three years. This does not include gains in benefits cost. This comes at a time when the consumer price index (CPI) rose just 2.5% over the last 12 months and when wages and salaries rose just 2.9% last year and just 3.2% this year. In approving these contracts, the Board of Education has failed in their responsibility to the taxpayers of Camden and the State of New Jersey. These agreements expire June 30, 1996.

The provisions of the previous contract were bargained with the negotiations units by the former Superintendent and now the current Mayor of the City of Camden. Many of the provisions of those contracts appear excessive and, in some cases unprecedented. Where possible, the review team attached cost values, particularly where they may not be so obvious. The review team recommends that they be deleted or amended to more reasonable levels in the current round of negotiations.

Camden Education Association (CEA)

- This unit primarily represents teachers, librarians, child study team personnel, nurses, guidance counselors and other non-supervisory professional staff.
- A second bargaining unit under the CEA (Support Unit) represents a wide range of non-professional support staff including secretarial/clerical positions, instructional assistants, aides, community and parent coordinators, van drivers, attendance officers, and the like.
- Since some CEA members in the professional unit supervise some of the membership in the support unit, there appears to be a conflict of interest.
- In a detailed analysis of the teachers' salary guides the review team discovered a divergence in rates of increase for teachers based upon when they started. They appear to reward some teachers at the expense of others. In the past five years, teachers in some cases received raises of over 20% from the prior year for progressing a step on the salary guide. Those at or near the top of the guide in years of experience receive higher percentage and dollar increases than those on lower level steps on the guide. This has been a cause of discontent within the district. The Board must take a more proactive role in determining salary guides to eliminate these inequities. Similar differentials and inequities exist in other guides. This differential in raises and comparison with the CPI is illustrated in the following graph:



- Employees are rewarded when they do not use sick or personal leave in a given month by being able to leave 1/2 hour early each Tuesday, Wednesday and Thursday of the following month. Assuming just 10%, the records seem to indicate more, receive this benefit each month, this benefit costs the district in man hours an estimated value of **\$338,400** annually (i.e., \$33 average pay per hour x 6 hours per month x 188 CEA employees x 9 actual working months). In addition, very valuable teacher time is lost that could be given to students who need and seek after school assistance. This is not only costly but a detriment to the educational program.
- All CEA employees are permitted to leave 1/2 hour early every Friday. Estimated cost in man hours is valued at **\$1,303,535** annually with the same negative impact on students as above.

- If an employee does not use sick leave during the year, he/she is rewarded with a \$50 payment. The total cost of this provision for 1994-95 was \$9,600. This provision should be eliminated. **Savings \$9,600**
- If an employee does not use sick or personal days he/she is rewarded with a \$100 payment. The total payment for this provision was \$18,400 for 1994-95. This provision should be eliminated. **Savings \$18,400**
- 13 sick days per year are granted while the State standard is 10 days for 10 month employees and 12 days for 12 month employees. In addition , employees may carry over unused sick days plus unused personal days to add to their bank of accumulated sick days. At the end of the '94-'95 school year there were a total of 230,700 unused sick days on the books exclusive of custodial and maintenance staff whose records are still maintained manually.
- Currently, CEA members are reimbursed for unused sick days at retirement at the rate of \$80 per day for teachers and \$60 per day for support staff with no cap. The cap limit should be set at \$15,000 maximum as it is for state employees. Legislation is being considered to regulate this. Based upon the rough estimate total accumulation of 230,700 unused days, the Board has a potential liability of \$20,763,000. They paid a total of \$166,268 to 33 individuals for terminal leave in 1994-95.
- Other leave provisions are similarly excessive. Employees are granted 5 days leave for the death of an immediate family member; 3 days for other family members (in-laws) and 1 for distant relatives or co-worker. Most other districts provide a total of 5 days as a death benefit. In the case of the death of a co-worker, districts often send a representative or two from the staff to the funeral service. The maximum number should be a total of 5 for the year with no accumulation for unused such days in ensuing years. The state provides no days for death of family members. Every day used represents a days pay for the individual plus the cost of a substitute (\$65). In 1994-95, 1825 days were used by district employees for bereavement at an average daily value of \$158.19 for a total cost of \$288,696.
- The district also permits 1 day to attend the graduation of a family member. This should be eliminated altogether. Personal days can be used for this purpose.
- There is also a contract provision where staff members can donate sick days to be used by others who may have exhausted their sick leave. For every 4 days donated, the Board donates one. This adds to the board's liability and should also be eliminated. In 1994-95 the board donated 76 days at an average value of \$158.19 with a total value of \$12,100. **Savings \$12,100**
- Longevity payments are added to the base salary of individuals in the amounts of \$600 after 10 years and \$1200 after 20 years of service. The original concept of longevity was payment for long and dedicated service in times of teacher shortages. The salary guide is already a longevity guide - a guaranteed raise each year served regardless of performance. An additional raise after just 10 years is certainly not warranted and after 20 years is questionable. The Local Government Budget Review does not support the concept of longevity increases. A concession might be to provide one such payment of \$1,000 after 25 years of service. The district currently pays over \$1,173,600 in total longevity pay. Total savings with the review team suggestion would net approximately \$891,600. An additional **\$35,000** would be saved in pension

contributions by the board if longevity is not included in the base salary. The total longevity costs and savings for the district are illustrated in Table #3 below. Out of this total there are 1,794 teachers who receive a total of \$702,200 in longevity pay. Included are 156 teachers with 25 or more years experience. If just these 156 received a \$1,000 longevity payment the net savings would equal \$546,200.

- CEA members who are in the clerical unit total 1,410 persons. Of these, there are 60 with 25 or more years experience. If they received the same benefit of \$1,000 in longevity pay after 25 years the cost would be \$60,000 to the district while a savings of \$211,100 would be realized. The total savings for the two CEA units in longevity pay would be **\$757,300.**

Savings \$757,300

- Various job title positions are paid extra stipends. For example, child study team members are paid an additional \$1,000 and bilingual teachers an additional \$300. Others with “specialties” are paid varying stipends. This is not a standard practice throughout New Jersey and should be eliminated in Camden. **\$100,000 for child study team and \$19,800 for bilingual** can be saved by paying all staff in accordance with the salary guides.

Savings \$119,800

- Stipends are paid to approximately 100 “volunteers” from the ranks of guidance, child study team, and speech for service from 3:30 to 4:00 PM in the amount of \$1,025 per year. About 50 of these people are also paid \$3,739 for summer work. Both figures are high. These people recommend students for services and then are paid extra to provide them. The total cost for this provision is \$289,450.
- Teachers are paid \$15 per hour for in-service time beyond the work day. This should be eliminated.
- The release time provision for CEA officials to conduct association business which is generally adversarial to the board and administration should be reviewed. Although the president is on full paid leave with the association reimbursing the board for his salary, the vice-president is provided with released time of a half day daily and an additional 40 days of released time is provided to CEA members to conduct association business. This is a counter productive cost to the taxpayers in excess of \$8,760 (40 days x average pay of \$219 per day) plus the cost of \$65 per day for substitutes (approximately another \$3000). This provision should be deleted from the contract.

Savings \$11,760

- Teachers, when eligible, may receive 75% of their annual pay to go on a sabbatical leave for study or travel. The State work standard is to grant limited leave with no pay yet holding the person’s position, seniority and benefits.
- Teachers receive tuition reimbursement in the amount of \$450 per teacher per semester maximum drawn from a pool of \$60,000. The review team supports this provision for it benefits children. A better trained and educated staff results in better education for children.

Estimated CEA Savings \$963,960+

Custodial and Maintenance Workers - CWA, AFL-CIO, Local 1079

This bargaining union represents custodians, maintenance workers, some bus drivers and supply department employees. Many of the same benefits are enjoyed by this unit as by the CEA. Changes and variances that appear excessive are noted here.

- Employees in this unit were given a 7% increase on July 1, 1994. This was excessive when the private sector and other public employees were receiving 3 to 4% or less.
- Shift differentials of \$.80 per hour for custodians and \$1.00 per hour were given for second shift (3:00 - 11:00 PM) workers. This practice should be discontinued. Job value does not change by the time of day. There are sufficient workers who would be willing to receive the same pay as day workers to have the employment. Based upon 100 workers working a 35 hour week for 52 weeks at \$.80/hour, \$145,600 could be saved by removing this provision.

Savings \$145,600

- Longevity is provided at 15 years (\$900) and 20 years (\$1200) of service. These should be discontinued. In 1994-95, 309 custodial employees received longevity pay. There are just 6 with 25 or more years experience. If they were provided the same \$1,000 benefit as CEA unit members, the district would save \$38,100 from the \$44,100 the district paid in '94-'95.

Savings \$38,100

- When an employee does not use sick leave during the year he/she is entitled to a \$50 bonus at year's end. Assuming that just 10% of these employees are eligible (23), the cost to the district would be \$1,748 (23 x \$76). This should be eliminated.

Savings \$1,748

- Remove the provision of 1 day's leave to attend a family member's graduation. Personal days can be used for this occasion. If 10% used this benefit the cost would be, as above, \$1,748.

Savings \$1,748.

- Employees receive \$30 per day for all unused sick days at retirement with no cap. This should be capped at \$15,000.
- Employees receive 12 sick days, 2 personal days, the same funeral leave as CEA members, 1 day for graduation, plus 15 paid holidays. The funeral days should be reduced to a total of 5 per year and the number of paid holidays should be reduced to 12 days per year. This later provision would save \$52,668 annually (3 days x \$76 per day x 231 employees)

Savings \$52,668

- Union leaders are provided with 20 days of released time to conduct association business. Again, this is unreasonable representing over \$1,500 of taxpayers money to work on non-educational business.

Savings \$1,500

Estimated CWA Savings \$241,364+

Administrators Council

This bargaining unit represents the administrators, directors coordinators, supervisors and various assistant level administrators in the district with the exception of the superintendent, assistant superintendents and business administrator.

- The first concern is the potential conflict between the membership with job responsibilities in which members supervise other members.
- Thirteen sick days are provided regardless of whether the administrator is a 10 or 12 month employee. The standard is 10 days for 10 months and 12 days for 12 months.
- There appears to be a conflict in language between the number of work days in a year and the number of vacation days provided. The contract stipulates a 10 month administrator must work 193 days and a 12 month administrator 217 days. The 12 month employee gets 21 vacation days. The typical work year is generally considered to be 240 days..
- The contract is vague in other language situations and omits language for provisions whereby the administrators enjoy unusual benefits. For one, it states the administrator may leave his/her place of work per board policy. There is no board policy that addresses this. For another, it stipulates that personal days may accumulate as sick days if unused but it doesn't say how many personal days are given. Paid holidays are not identified. And, most importantly, the administrators hours of work in the work day is not stated and yet, administrators collect extra pay for supervision after 4:00 or 4:30 PM at a rate of \$40.45 per hour. The administrators may have no entitlement to the thousands of dollars they are collecting for after school supervision. It is, as stated earlier, the position of the review team that they should not be paid for this normal professional administrators' duties in the first place. Their contract includes language providing a summer supervision payment. However, under their contract, they are already working 12 months.
- Administrators have the same sick leave donation program as CEA members. The review team accepts workers donating days to their own but feels the board should not be contributing one day for every four donated at taxpayer expense since they are already providing liberal leave provisions.
- Administrator Council representatives receive 5 paid leave days to conduct association business. As reiterated earlier in the CEA contract review, this is improper.
- Administrators receive payment of \$100 per unused sick days at retirement with no cap. The team repeats there should be a cap of \$15,000 payment and encourages legislation to regulate this. Meanwhile, the board should remove this expensive and extravagant liability from all contracts and agreements. The payout costs per administrator could easily exceed \$39,000 per member at retirement. A thirty year administrator could accumulate 390 unused sick days (13 per year x 30 plus unused personal days) x \$100 = \$39,000. In addition, the administrator could collect an additional \$8,000 to \$10,000 for unused vacation days at their per diem rate of pay. When you multiply this times the number of administrators and add in those similar costs for CEA members and all other employees the liability costs to the taxpayers are staggering.

- Longevity, credentials and administrator position provide accumulated dollars equaling high salaries. This is illustrated with the following example using a director or high school principal level salary:

Base pay - step 15	\$85,274
MA + 15 credits	2,550
20 years as administrator	2,000
15 years in district	200
Total	\$92,534
plus extra pay stipends for after school, etc. (Average range of \$2,106 to \$2,914)	2,510
Grand Total	\$90,534

In the longevity provision, there are 179 administrators who receive longevity pay. If the same provision of longevity being paid only after 25 years of service is applied as with the CEA units, then just 60 would be eligible for longevity pay. A net savings of \$96,200 would be realized out of the \$156,200 paid in 1994-95.

Savings \$96,200

Estimated Savings Potential - Negotiated Agreements \$1,301,524+

TABLE #3
LONGEVITY COSTS/SAVINGS

Camden Longevity

Count	Total Longevity	
179	\$ 156,200	Admin Total
60	92,000	Admin > 25 Years
	60,000	Totals @1,000 for 25 Years
119	64,200	Net Savings
	96,200	Net Savings @ \$1,000
1,410	\$ 271,100	CEA Total
60	21,800	CEA > 25 years
	60,000	Totals @1,000 for 25 Years
1,350	249,300	Net Savings
	211,100	Net Savings @ \$1,000
309	\$ 44,100	Custod. Total
6	4,800	Custod > 25 Years
	6,000	Totals @1,000 for 25 Years
303	39,300	Net Savings
	38,100	Net Savings @ \$1,000
1,794	\$ 702,200	Teacher Total
156	170,400	Teacher > 25 Years
	156,000	Totals @1,000 for 25 Years
1,638	531,800	Net Savings
	546,200	Net Savings @ \$1,000
3,692	\$ 1,173,600	Total Longevity Payments
282	289,000	Totals > 25 Years
3,410	884,600	Savings
	\$ 1,173,600	Total Longevity Payments
	282,000	Totals @1000 for 25 Years
	\$ 891,600	Net Savings

LEGAL FEES

Legal fees for the Camden Schools totaled \$416,237 for the 1994-1995 school year. This is considered to be excessive. A review of the vendor analyses records revealed that of the total \$43,574 was paid to the Board Solicitor, \$120,730 was paid to the labor attorney, \$211,237 was paid in settlements and \$40,696 for miscellaneous legal expense (fees paid to other attorneys' share in decisions). Most of the attorney fees were paid primarily for attendance at board meetings, contract negotiations, reviewing board minutes, personnel complaints and grievances and court appearances.

The review team also analyzed the "contract" with the Board Solicitor and found it complete in what it did not cover but was vague in what it did cover. The contract provides a \$30,000 retainer plus an hourly rate of \$75 per hour. In addition, he is paid for out of pocket costs for expenses such as photocopies, postage, telephone tolls, mileage and filing fees as they occur. His fees are paid through the Board's payroll system and thus the district paid \$2,550 into the contributory pension program. The contract doesn't state what is done for the retainage. Therefore, the attorney determines what he bills under the provision that the service is not "arising in the ordinary course of the business of the Board". The team also interviewed administrators and board members on their assessment of the advice and services provided by the solicitor. The response was essentially that there is a lack of confidence in the solicitor's recommendations and competence in matters of school law.

There was a mixed response regarding the labor representation. Displeasure was expressed over lack of clear direction and recommendation on provisions of the negotiated agreements, on matters of board member ethics and Sunshine Law concerns. The labor attorney bills at the rate of \$115 per hour. The total paid in this area of \$120,730 plus over \$200,000 in resulting settlements is too high.

The review team offers three options for the Board to consider to reduce legal costs. They include:

- 1) The Board should consider hiring its own full time attorney. Other districts such as Wall Township and Manasquan School Districts have done so. They have combined (60/40) to share an attorney at a salary of \$40,000. Other comparative numbers for full time staff attorneys are those employed by the various state education associations. Salary ranges based upon experience and level of responsibility, i.e., associate , assistant, senior, etc. are from \$38,257 to \$99,720 in the NJSBA and from \$37,625 to \$75,200 in the NJASA. We feel a competent staff attorney, as a full time employee, could handle all legal matters and provide consulting for specialized issues such as construction of the new Medical Arts High School. An attorney could be employed at a salary of approximately \$75,000 plus benefits for the Camden Schools.
- 2) The Board could consider entering into an inter-local agreement with Camden City since they have a legal department.

- 3) A competitive contract which clearly outlines what the duties are to be performed by the law firm plus all incidental costs.

Savings \$150,000

Auditor Contract

The Board also has a contract with an accounting firm to do its annual audit at an estimated fee of \$6,500 based upon time and varying hourly rates depending on which member of the firm does the work (partners - \$75, senior accountants - \$60, junior accountants - \$40 and typing - \$40 per hour). The review team found errors and inaccurate reporting in the audit and CAFR reports and internal district errors in the GAAP accounting by board employees. The Board should review this contract and build in a statement of assurance of accuracy.

INSURANCE

Insurance in the School District of Camden City has made significant positive strides in the past year as a result of competition for the broker who represents the district. The new broker has attempted to bring more value for less money by reducing administrative costs. In the first six months the new broker saved the district about \$367,000 in real dollars-\$130,000 in premium costs and a release of \$237,000 in workers' compensation retention dollars that were being held in excess or past the two years from last treatment requirement. The relationship is too new to determine whether the savings in insurance will continue over time but they are making some positive strides in the right direction to reduce their risk exposure.

Workers Compensation

The Camden Board of Education has taken steps to reduce its liability in the area of workers' compensation. Some of the steps implemented include:

- Retaining an aggressive third party administrator who is managing claims with a goal of return to work as soon as feasible.
- Institution of a managed care program to assure consistency of claims.
- Adopted an incentive reimbursement program for legal expenses based on per case charges. This encourages the attorney to control his expenses by working to close cases quickly.

The progress made to date can be furthered by establishing a stronger safety culture within the organization by:

- Having top management demonstrate commitment to safety objectives and make injury loss time reduction a priority.
- Purchase and install safety equipment such as better lighting and non skid flooring in high risk areas such as loading docks and warehouses.

- Establish policies and disciplinary practices that assure adherence to safety precautions i.e. mandating the use of safety equipment and responding to failures to use and wear safety equipment through progressive discipline.
- If the third party provider believes drug or alcohol usage to be the cause of the claim they should pursue dismissing the claim on this basis.
- Reward loss time reduction on a site basis.
- Have an active safety committee which includes an appropriately trained chair person, a safety engineer from the third party administrator and representatives from each assistant superintendent whose responsibility is to track and reduce workers' compensation in their areas specifically and in the district generally.

Monitoring and maintaining detailed data will further improve experience by:

- Enabling the District to identify claims which should be closed out. Data should include date of last treatment, reserve amounts and status of claims.
- Facilitation of investigation especially in cases of repetitive claims.

Requirements of additional information such as outside employment in order to track whether an employee was injured while on duty or if the employee is still working at the other job while out on leave. Implementation of these improvements could result in savings of at least \$210,000 according to their broker representatives.

Savings \$210,000

Automobile Insurance

Camden has automobile insurance with comprehensive coverage and collision coverage (with a \$1,000 deductible) on over eighty vehicles at a cost of \$1,200 per vehicle. There are additional coverages including coverage for transportation of hazardous waste which may not be necessary and should be reviewed. If the Board of Education were to eliminate unnecessary coverage and reduce coverage on inappropriate vehicles (older vehicles or damaged ones) the cost of automobile insurance could be reduced by as much as **\$20,000**. The Board should undertake a vehicle usage survey in order to determine the necessity of ownership of some vehicles.

Savings \$20,000

Property & Casualty Insurance

Property and Casualty insurance has recently adapted a new strategy for property insurance of insuring the district as a whole rather than individual buildings. They have purchased an umbrella coverage policy which would not necessarily provide complete coverage but would adequately insure the district for reasonable levels of risk. The policies are one year in duration and contain a non - cancellation provision. There is a high deductible (\$25,000) so this acts as an excess liability policy for a majority of claims. The district should pursue two options- multiple year coverage for an approximately 5% reduction in policy costs and consider a different deductible exposure (either a \$150,000-250,000 term loss limit with a specified reserve or a lower per incident charge such as a \$5,000 deductible and weigh total projected costs against district's loss history) and institute better loss control measures. With an aggressive pricing of the policies savings in the area of **\$50,000** (Instituting a 3 year term policy) and **\$50,000-\$150,000** - more than **\$200,000** (for both) over three years may be possible.

Savings \$50,000-200,000

Broker Relationship

Overall the Board should be commended for its new insurance tactics. The team recommends that this progress should continue with establishment on a competitive basis a strong broker relationship where pricing and commissions are clearly stated. Although competitive bids are not required by law in this area, it would be in the best interest of the public to bid this regularly. The proposals should be evaluated not only on price but on levels of service. Aggressively seeking a solid broker relationship with pricing of the broker understood and disclosed would ensure a level playing field. In private industry a disclosure form is required in order to divulge the level and method of payment of administrative fees. This should be part of the process of selecting a broker for the future. In the beginning of the relationship with this new broker it was necessary to have two brokers involved in the relationship. This has created many layers and occasional miscommunication between the parties. Over time this relationship should become clearer or the school board should deal with only one broker.

Health Insurance

Health benefits cost taxpayers over \$20 million in Camden School District. The largest component of this is the state health benefits package which accounts for \$15.6 million. This is followed by prescription costs at over \$3.2 million and dental at \$1.1 million. Vision coverage is provided at a cost of over \$450,000. This averages to \$5,480 per employee. The contracts in place with the union not only stipulate the provider but insist that the Board pick up the entire cost.

Health Insurance can be better controlled by sharing the costs of the insurance with the insured. Employees who pay a portion of their costs are more likely to be adverse to the selection of a high cost. The State has just begun a process of sharing the costs of insurance with employees. The State is charging a premium for the traditional plan to be

paid for by the insured. Currently, under the State Health Benefits Plan cost shifting is possible for municipalities and school boards by charging the employees for the cost of dependent coverage. They are permitted to charge the employee for the difference between single and dependent coverage. If the Board were to adopt this policy the savings would be in excess of \$7 million. If the Board adopted a policy of cost savings with employees with other than single coverage at 15% of the difference a savings of about \$1,000,000 could be achieved in premiums between single and dependent coverages.

Savings \$1,000,000

There are many cases (est. 500) where the school board is doubly insuring families for health care. Since the state health benefits plan does not allow a district to deny coverage in these circumstances a co-payment of 10% of health care should be undertaken in order to reduce the levels of duplicate coverage. State Health Benefits does allow a local entity to charge for the difference between an individual and other types of coverage. It is costing the Board an additional \$6,994,574 to provide family coverage. If the Board were successful in negotiating this provision at a 10% copay, they would save about **\$700,000**. This does not include the amount of money that would be saved if a number of people dropped out of this double coverage situation. If the Board were successful in getting 100 people to drop coverage from the weighted average cost (family (75%) /husband-wife (25%) level) @ \$5752/year that would result in savings of about **\$575,200** per year.

Savings \$1,275,200

There are approximately 100 cafeteria workers on the Board's payroll who are receiving benefits for health care. They only work 27.5 hours a week 10 months a year. If the Board wishes to keep them on staff and provide them with benefits the cost is about \$5,480 year per person. Recently the State had changed the requirements for providing health benefits to only full time workers according to local definition and the current state definition for a full time employee is now an employee who works over 35 hours a week. Total savings dropping coverage- **\$548,000**. The Board is also providing health care to the part time physicians that the Board has hired contractually. According to the personnel director these individuals are not supposed to be covered at all. The savings for dropping coverage for these sixteen individuals is **\$87,700**. **Savings \$635,700**

Total Savings - Health Insurance \$2,820,300

Inappropriate Coverage

The Board has many instances of duplicate coverage for vision, dental and prescription plans where multiple members of a family are covered. This results in duplicate payment for services already provided and paid for. The Board can drop this duplicate coverage since the only beneficiary is the insurance carrier. The Board should undertake the task of determining the amount of overlapping coverage within its own organization recognizing that each prescription overlap is about \$840 per family covered per year, vision is about \$240 per family per year and dental is \$150 per year. If there are 500 circumstances of duplicate coverage for these plans at \$1,230 per occurrence the total savings to the district

would be **\$615,000**. Also for both the prescription and the vision care programs the board only offers family coverage and single coverage. In circumstances where the insured unit is parent /child the savings is about \$250 per year on the State prescription plan. In a scan of the health benefits data there are approximately 740 people who would be affected by this change resulting in a savings of **\$185,000**.

Savings \$850,000

There are so many employees at the board that it appears that there are people who may be covered who are no longer under the employ of the Board. Every instance of inappropriate coverage is costing taxpayers on average \$5,480. If the Board were to discover 40 people who did not deserve coverage because they were no longer employed, the board would be able to save **\$219,200** in inappropriate benefits charges. This problem appears to be not as much in health coverage but more likely in vision, prescription and dental where there are 400 more people covered than covered under health care (after accounting for retirees who pay for their benefits). If 200 of these people were wrongfully covered this would result in savings of **\$230,000**. There should be a health care census done annually to compare current employees to the insured in each plan.

Savings \$449,200

Total Savings - Inappropriate Coverage \$1,249,200

Prescription Insurance

The Board should consider changing the deductible for prescription insurance. The co-payment level for prescription drugs in Camden Board of Education is very low - \$2 for generic and \$3 for name brand. Also the level of coverage is excessive compared to other plans. Examples of excess coverage include fertility coverage and smoking cessation. Other school districts covered by the insurer do not provide this level of service. Reduction of these expensive extras as well as increasing the levels of mail-in coverage for long term prescriptions could result in savings of around 5%. The network of pharmacies chosen by the broker could also be changed to provide additional savings through lower network charges (perhaps \$1 a script and 3% off average wholesale price). If the deductible were increased to \$3.50/\$5 (the State prescription plan deductible vs. other currently negotiated deductibles of \$5/\$10) and the other changes discussed above were instituted the savings for prescription drug coverage would be 15% or **\$540,000**. There is a movement in the industry to change the method of co-payment from flat dollars to a percentage basis. If Camden were to institute this type of co-pay the savings could be even greater than the amounts outlined.

Savings \$540,000

Insurance Savings

Worker's Compensation Safety Measures	\$210,000
Automobile Insurance	20,000
Property and Casualty (3 year option)	
Changes in level of deductible	50,000 - 200,000
Health Premium Cost Shift	
(BCBS premium)	1, 000,000
Cost Sharing for family coverage	700,000
Dropping Dual coverage	575,200
Dropping p/t coverage for cafeteria workers	548,000
Dropping coverage for physicians	87,700
Dropping Duplicate Vision, Dental,	
Prescription coverage	615,000
Reduction in premium for p/c coverage	185,000
Review coverages for people no	
longer on payroll	219,200
Compare data from vision, dental,	
and prescription plan to payroll data	230,000
Increase in co-pay amounts for	
prescription plans	540,000
Totals	<u>\$4,980,100 - \$5,130,100</u>

BOARD MEMBER EXPENSES

Most of the records relative to board member expenses, particularly as it related to the use of credit cards, were subpoenaed by the FBI for their investigation. It is believed that the investigation centers upon travel expenses and purchases that were of personal rather than school district use. Since limited documentation was available, the review team cannot make specific dollar savings recommendations.

A review of the account analyses did , however, reveal that most board and administrator credit cards were used to pay for travel, food, lodging and miscellaneous purchases for items such as food and lodging (\$18,487.98), tee-shirts (\$1,720), gift certificates (\$1,800, other gifts (\$1,721) and awards and trophies (\$1,030). The team could find no supporting documentation or details of purpose for the purchases.

In the matter of cellular telephones, it is believed that these were only issued to the Superintendent and Business Administrator. However, a separate phone line with telephone and fax were installed in the Board President's home for "school district business" at district expense. Use of this phone and her personal line expenses were commingled so records were not available for review.

It is the position of the LGBR that the issuance of credit cards and cellular and personal phones is not a good practice. These become too convenient to use causing potential for misuse and abuse with a tendency toward extravagance. It is our recommendation that these not be issued. All legitimate board member expenses for travel, lodging, food, etc. commonly placed on credit cards should be done on a pre-approved voucher system and/or on a reimbursement basis where only valid receipts are submitted.

Board of Education policy should direct language appropriate to payment of legitimate expenses incurred by board members and district staff. Further, board policy should set limits for travel, lodging and meal expenses.

TRANSPORTATION

Contract bus transportation for all of the students who require it is costing the district approximately \$5,425,000 in 94-5 school year. The team reviewed approximately \$4,750,000 worth of contracts. This transportation can be broken into four components- special education in-district, special education out of district, vocational transportation, and parochial transportation. The district also provides New Jersey Transit bus vouchers to students who live remote to the school that they attend.

Special Education

Bus transportation is provided for all special education students in Camden utilizing contracted busses with district providing aides riding on the bus. There are about 85 different in district special education bus routes in Camden transporting approximately

1,700 students. There are two people in charge of the special education routes one for K-12 and another for the pre- K students. There is approximately a 40% student transient rate found within the district and even a larger turnover rate found for individual schools and bus routes. All of the routing is being done manually by people knowledgeable about the city streets and the location of the schools. There are many accommodations made as a result of the population's movement but they are not using modern bus routing techniques. Computerized bus routing has become cost effective and efficient for accomplishing a task that was very intuitive and laborious - the routing of busses in the beginning of the year as well as adjusting routes during the school year. It was noted by the team that regularly more than ten pupils required adjustment of routes in one day and that the systems employed for routing could be improved greatly through automation.

Timing in the routes could be tightened somewhat. Sample driving in the area following a route indicated a very liberal allowance for boarding a bus for students. Busses have to honk and wait a considerable amount of time until a student is ready. Times on the routes could be tightened and more students accommodated. The best way a bus route's timing can be tightened is if the driver is stricter in time enforcement. This should start at the contract and they should be penalized if timing is not enforced. The bus company has combined routes on its own behalf and mixed students of different ages on the same bus without prior direction of the board. The contracts do not provide a penalty for combining routes, being late or missing stops, as is common practice in the industry. The school should institute penalties for breach of contract.

The School Board is currently using a mapping software for school redistricting and the mainframe has the capability of bus routing. The school board could purchase for approximately \$10,000 a software package that could be integrated with the mapping software that already resides in house. At this price level it is not completely hands off and it does require training of the individuals who will be using the software. The software will more than pay for itself by the elimination of just one bus route during a school year. The team estimates that the savings for elimination of 15 routes by combining them with other routes - **\$600,000** (\$25,000 per route plus \$15,000 per bus aide-salary plus benefits). This is especially true with the pre- kindergarten routes which used very small busses and were still under utilized. The team noticed on several occasions that the bus aides were not being fully utilized as instructional assistants in the Early Childhood Center. Extra bus aides in the Early Childhood Center which do not have specific classroom responsibility should report to the high school or Forest Hill in order to better utilize their time by serving in the capacity as part time security, instructional aides at the high school or lunch aides. This is a no -cost productivity enhancement that better utilizes those bus aides.

Saving \$600,000

Out of District Special Education Transportation

There is a cooperative effort in Camden County for out of district special education that is being utilized by every district except for three - one of them being Camden City. It is strongly suggested that conversation start between the district and the Camden County

Educational Services Commission regarding shared routes to out of district schools. Not all of Camden City's 45 special education routes out of district can be shared with the commission but if the costs of 15 routes could be shared with the commission the savings could exceed **\$300,000**. (Average cost of route 25,000/year plus salary and benefit per bus aide of \$15,400 and multiplying by 15 routes and dividing by 2) Some of the routes to other districts could be better routed if they remain as solely the district 's responsibility. Combining these routes so as to better utilize resources could save the district \$25,000 per route eliminated in contract costs plus a bus aide cost of \$10,000 plus benefits at \$5,400. If any of the approximately 250 special education students that are sent out of district are brought in district the savings could be even greater. There would be no additional tuition costs and these students could be combined into existing routes. The average bus contract cost out of district for special education is \$4,200 while in district the cost is \$1,340. This cost comparison does not include the bus aides so it is understated. (See Special Education Section) . If 100 students can be brought in district the savings are estimated to be **\$286,000**. (\$420,000- 134,000) plus eliminated bus aides.

Savings \$586,000

Vocational Transportation

There are about 1,400 students who are transported to vocational school. These routes appear as if they can be combined to save money. For example there are about 275 students riding to Camden County Vocational School South on 10 busses. If these routes were combined to six routes the savings would approximate **\$100,000**. Camden County Educational Services Commission also provides transportation to this location and this should also be part of the discussion. More importantly, maybe New Jersey Transit may be able to offer transportation to the vocational schools for the city and elsewhere in the county, especially for the people who miss the bus.

Savings \$100,000

Parochial Transportation

There are about 350 students being transported to parochial schools at an average cost of \$600 per student. If a conversation can be established with Camden County Special Services District the savings could be significant. For example there are approximately 225 students riding 6 busses to Camden Catholic. Since these busses are running at a higher level of efficiency than the out of district special education busses the savings that could be obtained by sharing services or by combining routes is expected to be less on a percentage basis. If they were to save 15% on these routes (total cost- \$270,000) savings could exceed **\$40,500**. Also three busses are being provided to schools well in excess of the \$675 aid in lieu of figure transportation. The routes are to Moorestown/ Prescott, Faith Christian and Martin Luther King/ Bishop Eustace. These routes should either be regionalized to bring the costs to under \$675 or checks should be issued to the parents for \$675 in lieu of providing transportation.

Savings \$22,000.

Total Savings \$62,500

Purchasing and Routing

If discussions do not work out with the commission other opportunities for saving could be pursued with other districts or by improving contracting procedures. Practice in the county's special services district has shown that transportation companies are more likely to bid on individual routes or small packets with ample bid preparation time to consolidate and compile the package. Camden has a history of last minute large package bidding or simply renewing contracts at increased cost. This has prevented companies from assessing the program as they are presenting too large a package (upwards of 40 routes per bid) to keep it competitive. As a result Camden may be paying a premium because of its bidding practices. Bid packages for special education should be more user friendly. For example all bids for one school should be packaged together. The district should enact a practice of bid packages not to exceed 10 routes. Proposed savings instituting better bidding practices- 5% of total value of transportation (\$4,750,000 in contracts in 95-96) - **\$237,500.**

Savings \$237,500

The transportation program is the responsibility of two individuals who both consider it part time. One is an administrative assistant in the Early Childhood Development Center and the other is responsible for the attendance function in the district which needs full time attention on its own. The district should hire a transportation professional who is or can familiarize themselves with the transportation routing software and work with the constant shifting of the population and has a concept of bidding processes to gain cost controls. This action would change the responsibility from two positions to one position.

The school district should at the very minimum purchase software for routing, hire a transportation professional for all their transportation needs, start a dialog with other districts regarding shared services, consolidate as many routes as possible, bring in as many out of district special education students, and improve its purchasing procedure so as to permit other bidders into the process.

Total Savings in Bus Transportation

Hire a Professional Transportation coordinator-	<\$60,000>
Purchase Software-	< 10,000>
Eliminate Routes by better routing-	600,000-900,000
Cooperative effort with other districts-	300,000-800,000
Bring Students in District-(100 students @ 4,200 each-	
In District costs of \$1,340 each)	286,000+
Merge Vocational Routes-	100,000
Parochial Route merging and route elimination	62,500
Better Bidding & Contracting Practices-	<u>237,500+</u>
Total Savings	\$1,516,000+ - \$2,316,000+

FOOD SERVICE

The LGBR conducted an extensive review of the district's food service program. Interviews were conducted with the Food Service Director and various department staff members. School kitchens and cafeterias were visited, operations observed, and various documents reviewed. A careful analysis was done of the financial records as reported in the Comprehensive Annual Financial Report (CAFR) for the years ending June 30, 1993, 1994, and 1995.

According to CAFR and budget guidelines, if a district receives state and /or federal reimbursement for food service costs or collects fees from students for the cost of meals, the entire food service operation activity must be recorded in a separate enterprise fund and not within the general fund of the budget. Any contribution made by the Board toward the food service operation is reported as a lump sum contribution transferred to cover any deficits. These costs should not be included elsewhere in the budget. However, if the full cost of the operation is funded by the Board, the expenditures should be categorized and reported in the general fund.

The Camden Board of Education receives state and federal reimbursements and collects fees from students for meals. Therefore, the district should report the entire food service operation in the enterprise fund. Enterprise funds are used to account for operations that are financed and conducted in a manner similar to private business enterprises with the intent that the costs of providing goods or services be financed through user charges.

The review team found that the employee benefits for the food service full time staff were not properly charged to the enterprise fund. An estimated \$649,591 for the benefits were paid by the Board from the general fund. This represented an unreported deficit in the food service program. The Board reported a deficit of \$1,327,620. With the cost of the benefits, the actual deficit was approximately \$1,977,211.

Table 4 illustrates the actual profit and loss for the food service program.

TABLE #4**Camden Board of Education****Analysis of Food Service Income Statement for 92/93, 93/94, 94/95**

		Change		Change	
INCOME	1992/93	in %	1993/94	in %	1994/95
Daily sales	273,621	24.59%	340,905	-5.81%	321,101
Other Income	32,433	-83.00%	5,515	-100.00%	0
Non Operating revenues	4,418,562	15.39%	5,098,741	-2.29%	4,981,910
TOTAL INCOME	4,724,616	15.25%	5,445,161	-2.61%	5,303,011
OPERATING EXPENSE					
Cost of food	2,378,144	20.02%	2,854,140	10.66%	3,158,343
Supplies and materials	105,039	-3.71%	101,141	12.30%	113,581
Salaries	2,582,365	3.63%	2,676,157	5.82%	2,831,801
Employee benefits	123,294	55.73%	192,004	26.88%	243,619
Depreciation	49,802	36.08%	67,771	5.38%	71,414
Other Expense	0	0%	48,924	157.99%	126,220
Other repairs	99,707	-35.78%	64,034	33.76%	85,653
Total Expense Before					
Total Operating Expense	5,338,351	12.47%	6,004,171	10.43%	6,630,631
Add: Bd. Contr.-benefits	595,581	3.63%	617,213	5.25%	649,591
Total Adjusted Oper. Expense	5,933,932	11.59%	6,621,384	9.95%	7,280,222
Net Income w/o Board Contrib.	(1,209,316)	-2.74%	(1,176,223)	68.10%	(1,977,211)
Additional Board Contribution	645,362	23.96%	800,000	6.29%	850,329
Net Income with Board Contrib.	(563,954)	-33.29%	(376,223)	199.53%	(1,126,882)
Board Contribution	645,362	23.96%	800,000	6.29%	850,329
Benefits	595,581	3.63%	617,213	5.25%	649,591
Total Board Contribution	1,240,943		1,417,213		1,499,920
Total Salary	2,582,365	3.63%	2,676,157	5.82%	2,831,801
Total Benefits	718,875	12.57%	809,217	10.38%	893,210
Total Salary and Benefits	3,301,240		3,485,374		3,725,011

Camden City Schools currently charge \$1.75 for student lunch in the senior highs, \$1.50 in the junior highs and \$1.50 in the elementary schools. Reduced price lunch is \$.40. Teachers and staff members can purchase their lunch for \$2.75 in the schools and \$3.00 at the board offices.

Table #5 - Total Number of Meals and CostsCamden City Board of Education
Analysis of Number of Meals

		1992/93	1993/94	1994/95
Lunch	Paid	28,803	31,070	34,340
	Reduced	42,719	53,642	53,859
	Free	1,977,116	2,183,615	2,073,297
Total Lunch		2,048,638	2,268,327	2,161,496
Breakfast	Paid	6,159	5,841	7,724
	Reduced	10,145	9,121	12,301
	Free	774,645	733,449	728,739
Total Breakfast		790,949	748,411	748,764
Total Meals		2,839,587	3,016,738	2,910,260
Food Cost		2,378,144	2,854,140	3,158,343
Food Cost per meal		0.84	.95	1.09
Overhead Cost		3,555,788	3,767,244	4,121,879
Overhead per meal		1.25	1.25	1.42
Total Cost per meal		2.09	2.20	2.51
Percentage of Food Costs		40.2%	43.2%	43.5%
Percentage of Overhead Costs		59.8%	56.8%	56.5%

The district has 10 production kitchens and about 30 satellite kitchens. Production kitchens are located in nine of the schools and one in the administrative building. Table 6 illustrates in detail all of the kitchens and workers in the different locations. Some lunches and breakfasts are prepared in production kitchens before being delivered to the satellite schools. Prepackaged lunches are sent to satellite kitchens and heated before being served in the cafeterias or classrooms.

Staffing for the food service program is the most excessive and abusive in the district. It includes 97 full time employees and 721 part time employees. It is difficult to understand why individual schools would need or require the number of workers assigned to their food service programs. Typically, a school with 800 students will have a dozen or so workers. Davis School with 71, Cramer with 55, Molina with 44, Wiggins with 38 and Yorkship with 36 have the most workers. All are satellite schools with exceptionally high staffing. Others range from the low teens into the mid-thirties. The production kitchen school with the most employees, McGraw, employs 23 workers.

About 198 of these part time employees are also employed as instructional aides by the district when they are not on the enterprise payroll. The LGBR supports this concept. The district could save a great deal on additional salaries by incorporating the duty of serving lunches with instructional aides' and bus aides' duties. Their lunch break could be taken just before or after this additional job function.

Full time food service employees work a six hour day including a half-hour paid lunch. All full time employees receive full family coverage health benefits. Part time employees work two to four hours per day with no benefits. Salaries for part timers range from \$5.75 to \$9.10 per hour.

Table #6

School	Kitchen Style	Full Time Mgr.	Full Time Worker	Part Time Mgr.	Time Ass. Mgr.	Food Serv. Worker	Instruct. Aide	Dept. Head	Mgr. Ass.	Truck Driver	Total Employee
Camden H. S.	Production	1	7			5					13
Early Childhood	Production	1	4			16					21
E. Camden Middle	Production	1	8								9
Hatch	Production	1	9								10
McGraw	Production	1	5			17					23
Morgan Village	Production	1	9								10
Pyne Poynt	Production	1	9			1					11
Veterans Memorial	Production	1	6			1					8
Woodrow Wilson	Production	1	9								10
Front St.	Production	1	5			3					9
Bonsall	Satellite			1	1	23	2				27
Bonsall Annex	Satellite			1	1	9	4				15
Broadway	Satellite			1		12	14				27
Catto	Satellite			1		6	3				10
Cooper's Poynt	Satellite			1	1	14	15				31
Cramer	Satellite			1	1	37	16				55
Cream	Satellite			1	1	14	8				24
Davis	Satellite			1	1	59	10				71
Dudley	Satellite			1		12	6				19
ENV Center	Satellite			1							1
Fetters H.	Satellite			1	1						2
Forest Hill	Satellite			1		15	14				30
Riggs Center	Satellite			1							1
Landing Square	Satellite			1	1	17	3				22
Lincoln	Satellite			1		3	8				12
Lutheran Church	Satellite			1		1					2
Med. Arts	Satellite			1		1					2
Mickle	Satellite			1		8					9
Molina	Satellite			1	1	29	13				44
Molina Annex	Satellite			1	1	8	7				17
Parkside	Satellite			1		21	3				25
Powell	Satellite			1		5	9				15
Sharp	Satellite			1		17	1				19
S. Camden Alternative	Satellite			1		8	6				15
Summer	Satellite			1	1	26	3				31
Washington	Satellite			1	1	17	6				25
Whittier	Satellite			1	1	11	10				23
Wiggins	Satellite			1	1	15	21				38
Wilson	Satellite			1	1	15	13				30
Yorkship	Satellite			1	1	31	3				36
Others	-							1	5	10	16
Total		10	71	30	16	477	198	1	5	10	818

All full time and part time employees must pass a criminal background check at their own expense (\$50) before they are hired. The district has complained that hiring good quality part time workers is difficult. The hours are limited and there are no benefits. There is a high turnover for these jobs.

The district also maintains two payroll systems for food service. One payroll is handled in-house for production kitchen employees and one is handled by ADP to prepare payroll for satellite workers. The fee to manage the satellite employees was \$15,827 for 1994-95. The district has the capability to do all payroll in house. This fee of **\$15,827** could be saved.

Saving \$15,827

All accounting records for the food service program are separate from the main accounting system. The Business Administrator and district accounting department have essentially taken a hands off approach to food service. As a result, the Board appears to have a lack of control over food service in terms of product ordering and staff hiring. This leaves the door open for potential abuses and considerable waste as well as excessive costs and a lack of accountability.

The ordering process for food service can be improved by restructuring the bidding process. Currently, the district is ordering all food products off a price list in effect for three months. The review team found that Camden is paying more for foods than neighboring districts. There are several methods that can be utilized to have better pricing of food goods for the district:

- 1) Shorten the effective period for the price list from three months to one month for fresh produce and perishables. Estimated savings would be **\$8,000** based upon 10% of \$80,000 per year.
- 2) The district should track quantities of goods ordered by location and maintain inventories on a computer of each good to be ordered during the contract period. They should review its bidding list regularly and remove goods that are in inventory and that are not currently being ordered.
- 3) The Lunch Coordinator should not be opening bids. This should be handled by the purchasing department under the direction of the Business Administrator and in accordance with policy and code.
- 4) The contract for pre-packaged lunches should not be automatically renewed just because it is easier. The law stipulates that a contract can be renewed up to two years. The original contract was for the 1992-93 school year. This is the fourth year that the contract has not been bid but renewed by Board vote. The school lunch business is very competitive and if the Board were to place this contract out for open competitive bid each year instead of renewing, the district could save a conservative 6% by holding prices constant through bidding. Total savings would be **\$60,000** (based upon contract value of \$946,400 in the 1992-93 and 1993-94 contracts, \$1,003,184 in 1994-95 and \$1,063,375 in 1995-96).

Savings \$68,000

In addition, the district could enhance its revenue by automatically qualifying students for free or reduced lunches through the New Jersey Department of Education (DOE). In the 1995-96 school year the district was directed by the DOE to return over \$7 million in penalties through the school lunch program. The district could not produce the necessary student applications for subsidized or free lunches even though it served the meals. The district is required to maintain the files and couldn't produce them to the DOE auditors. Records were also not available for prior years as well. The district has appealed and mitigated the loss to reduced levels, they are waiting for final determination, by redoubling its efforts to comply with the law.

The district has been required during 1995 to return some \$8,623,594 in various penalties to the state for shoddy record keeping, overstating various statistics in reporting to the state and loss of important and required data. In addition to the food service penalty, the return of funds in transportation aid (\$954,263), foundation aid (\$194,083), special education aid (\$265,197), bilingual aid (\$2,604), capital outlay aid (\$4,765) and for debt service aid (\$551) was required. Some of the \$8 million could well have been legitimate aid for which Camden may have been entitled had the various administrators responsible been diligent and accurate in their record keeping.

Twice, the district has requested computer records which pre-qualify eligible students from the Department of Education but never completed the process of pre-qualifying the students through matching the food stamp eligible list to the student population. Out of the 30 special needs districts, only two do not participate in the computer match program. The district spends a lot time completing lunch application filing manually. If an estimated 10,000 hours are spent in the district at \$7.50 per hour plus benefits at 30%, the administrative savings are about **\$100,000**. This just measures the savings in assembly, but there is considerable savings in storage space as well. Manual applications would still have to be filed on people who do not appear on food stamp lists or new students to the district. However, the amount of paper work would be drastically reduced.

Savings \$100,000

This does not include the additional revenue that the district would have as a result of having completed applications for students who do not bring them back. If they got just 500 missing applications from elementary students and 500 from secondary students, the additional revenue that could be garnered assuming \$1.185 breakfast and \$1.925 elementary lunch and the elementary students eat lunch 150 times and breakfast 80 times, the secondary students eat 100 times, the total additional revenue would be about **\$290,000**.

Revenue Savings \$290,000

Computer equipment would have to be purchased to handle the merging of student database with the Department of Education data. Costs would be about \$30,000 for equipment and software. This would be more than offset by savings in the first year.

Another area of food service costs to the Board is in overtime costs to food service workers to prepare and serve food to the Board and administrators for their meetings each

month. These costs for food and wages are reimbursed back to the food service from the general fund. The total reimbursement from the general fund was \$10,407 for foods plus \$9,403 in overtime wages to the workers who stayed to prepare and serve at the meetings. This totals \$19,810.

Recommendations:

The LGBR believes that the operating loss demonstrates the district needs to evaluate the total food service system. There are two additional options the team recommends the Board consider to provide immediate savings without a loss in food quality or service.

OPTION 1

Continue to operate the food service program as follows:

- 1) It is recommended that the Board must take full control of the food service operation. Reorganize the whole food service department and eliminate up to 336 positions. Extend the working hours for full time food service workers from six to seven hours per day. Table 7 illustrates the optimal size of the food service staff for each school.

Savings \$956,880+

- 2) Purchase orders for food service must be made by the purchasing department with the approval of the Business Administrator. All goods and services must go to bid more frequently to get the best prices, especially fresh produce.
- 3) Utilize computer software for inventory control. **Cost (\$10,000)**
- 4) All cashiers must be instructed to enter every item sold into the cash registers.
- 5) All accounting records for food service should be recorded into the enterprise fund in the main accounting system.
- 6) Merge the enterprise payroll, benefits and other employee costs with the Board's payroll system. Payroll personnel confirmed that the system could handle this and the administrative assistant in food service can enter all the data to the new system.

Savings \$15,827

- 7) Reduce overtime work for food service employees by having food catered for Board meetings from outside vendors. As for department and other such meetings, limits for food orders should be specified to reduce the costs.

Savings \$16,000

Total Savings \$978,707

Table #7

**Camden City Bd of
Education
Food Service**

School	Kitchen Style	Total Emp.	Avg. Lunch		F/T Emp.	P/T Emp.	Total Worker Reduced	Sugg. Workforce	Avg. # Lunch served per worker after Pos. Elim.
			Served Per Day	Avg. # Lunch served Per Worker					
Camden H. S.	Production	13	173	13.31	-2	-5	-7	6	28.83
Early Childhood	Production	21	314	14.95	0	-10	-10	11	28.55
E. Camden Middle	Production	9	675	75.00	0	0	0	9	75.00
Hatch	Production	10	270	27.00	-1		-1	9	30.00
McGraw	Production	23	371	16.13		-10	-10	13	28.54
Morgan Village	Production	10	433	43.30			0	10	43.30
Pyne Poynt	Production	11	420	38.18		0	0	11	38.18
Veterans Memorial	Production	8	349	43.63			0	8	43.63
Woodrow Wilson	Production	10	305	30.50			0	10	30.50
Front St. *	Production	9	N/A	0.00		-1	-1	8	0.00
Bonsall	Satellite	27	672	24.89		-7	-7	20	33.60
Bonsall Annex	Satellite	15	165	11.00		-11	-11	4	41.25
Broadway	Satellite	27	181	6.70		-21	-21	6	30.17
Catto	Satellite	10	110	11.00		-6	-6	4	27.50
Cooper's Poynt	Satellite	31	727	23.45		-6	-6	25	29.08
Cramer	Satellite	55	647	11.76		-32	-32	23	28.13
Cream	Satellite	24	658	27.42		-1	-1	23	28.61
Davis	Satellite	71	820	11.55		-42	-42	29	28.28
Dudley	Satellite	19	404	21.26		-5	-5	14	28.86
ENV Center	Satellite	1	75	75.00			0	1	75.00
Fetters H.	Satellite	2	20	10.00		-1	-1	1	20.00
Forest Hill	Satellite	30	741	24.70		-4	-4	26	28.50
Riggs Center	Satellite	1	19	19.00			0	1	19.00
Landing Square	Satellite	22	577	26.23		-2	-2	20	28.85
Lincoln	Satellite	12	36	3.00		-10	-10	2	18.00
Lutheran Church	Satellite	2	33	16.50		0	0	2	16.50
Med. Arts	Satellite	2	63	31.50			0	2	31.50
Mickle	Satellite	9	102	11.33		-5	-5	4	25.50
Molina	Satellite	44	559	12.70		-24	-24	20	27.95
Molina Annex	Satellite	17	231	13.59		-9	-9	8	28.88
Parkside	Satellite	25	365	14.60		-12	-12	13	28.08
Powell	Satellite	15	189	12.60		-8	-8	7	27.00
Sharp	Satellite	19	410	21.58		-5	-5	14	29.29
S. Camden Alt.	Satellite	15	44	2.93		-13	-13	2	22.00
Summer	Satellite	31	625	20.16		-9	-9	22	28.41
Washington	Satellite	25	416	16.64		-10	-10	15	27.73
Whittier	Satellite	23	356	15.48		-10	-10	13	27.38
Wiggins	Satellite	38	549	14.45		-18	-18	20	27.45
Wilson	Satellite	30	406	13.53		-15	-15	15	27.07
Yorkship	Satellite	36	419	11.64		-21	-21	15	27.93
Others (other staff)	-	16	N/A	0.00			0	16	0.00
Total		818	13929	838.20	(3.00)	(333.0)	(336.0)	482.0	1214.01

* Not a school site - production kitchen only

OPTION 2

Contract the food service operation out with a private management company. Based upon the team's review of private food service contracts in other districts, The total cost including food, labor and management fee for a typical food service program ranges from \$1.00 to \$2.00 per meal. According to ABTS Associates, the average cost (adjusted 1995 costs) of producing and serving a school lunch is \$1.96. The team feels that there are many factors that determine the actual per meal cost for a food service program. Costs are lower due to it's size and labor efficiencies. The high cost in Camden is due to the fact that the district is inordinately labor intensive in its operation. The review team believes that an average savings of approximately **\$1,484,233** is attainable by competitively contracting the total food service operation in the Camden City Schools.

Cost per meal for Camden Schools	\$2.51
Maximum cost per meal from private management	<u>\$2.00</u>
Net savings per meal	\$.51
Number of meals served in 1994-95	2,910,260
Savings	\$1,484,233

Throughout the State of New Jersey there are approximately 200 school districts that contract food services with management companies. They have generally reported a tremendous degree of satisfaction with the systems. However, in Camden, the management company will be a solution and successful only if the company takes over the entire food service operation, including the appropriate number of employees. The contract must stipulate the management company will operate the program within the program generated revenue.

The reality is that excessive costs must be eliminated whether it is done by the Board or through some form of competitive contracting. Actions by the Board to provide cost efficiencies in these areas would benefit the district through better meal satisfaction while lowering the cost per meal delivered to the children.

Total Savings - Food Service \$1,452,534 - \$1,958,060

DRIVER EDUCATION

Driver education is provided at both Camden and Woodrow Wilson High Schools as part of the health curriculum. Under this program, three instructors taught driver education to over 300 students at Camden High while two teachers taught over 250 students at Wilson High during the 1994-95 school year. The program is offered to all juniors for one quarter of the year.

As part of the health program, there is not a separate budget for driver education. Several years prior, eight driver simulators were donated to Camden High. Woodrow Wilson High does not have simulators and offers only classroom instruction. Thus, there is an inequity in the two school programs. Neither school offers behind - the - wheel instruction. After passing the written exam with 30 hours of instruction, students are on their own and at their own expense to take the road test to receive their drivers license.

Although driver education is not a required course (NJSA 18A:35-7 and NJAC 6:8-7.1.1), it is the recommendation of the LGBR that Camden could the program offerings in the two high schools be equalized. Driver simulators should be available to the students of both schools on an equal basis.

BANKING AND INVESTMENT - CASH MANAGEMENT

The team reviewed the checking and saving accounts maintained by the Camden City Board of Education for the purpose of identifying ways a school district can improve its interest income and reduce the costs associated with reconciling and maintaining banking accounts.

During the 1994 - 1995, the district maintained over 15 checking accounts in P.N.C Bank (formerly called Chemical Bank of NJ) and 3 Certificates of deposit in 1st Fidelity Bank, Midlantic Bank and United Jersey Bank. The chart below lists the major accounts and the average balances for the year.

Account Name	Average Balance 6/95 (Y-T-D)
1) General Account	\$13,933,931
2) Special Revenue	2,130,518
3) Activities	8,961
4) Food Service	536,649
5) Payroll	521,917
6) Cap Improve. Demand	15,551
7) Cap Improve. Muni.	5,518,432
8) HICA	501,124
9) Worker Comp.	41,530
10) Revolving Fund	3,381
11) Satellite Lunch	25,567
12) Voc. Work Study	12,520
13) Asbestos	Not verified
14) Summer Pay	Not verified
15) Unemployment Comp.	Not verified
Total	\$23,250,081

The Camden City Board of Education also has a Sweep Account with P.N.C. Bank. The Sweep Account is an investment account which collects all the cash balances from different accounts every night, except food service and satellite lunch account. It allows the district to earn overnight interest. The interest rate is determined by the bank's senior management and is based on market conditions.

The chart below lists the earning rate for the period from July 1994 to June 1995.

Month	Interest Rate 1994	Month	Interest Rate 1995
July 94	4.39%	January 95	5.81%
August 94	4.50%	February 95	5.80%
September 94	4.64%	March 95	5.73%
October 94	4.96%	April 95	5.67%
November 94	5.25%	May 95	5.68%
December 94	5.64%	June 95	5.50%
Average for the year	4.90%		5.69%

From July to December 1994, the average earning rate was 4.9% and 5.7% was earned from January to June 1995. P.N.C. Bank also provides services such as free checking, account analysis, bank reconciliation and other services if the district meets minimum compensating cash balances. The compensating cash balance is the collected balance required to support the total cost of the service for all accounts in relationship. The district is running an estimated \$1.3 to 1.8 million in compensating cash balances.

The chart below lists the earning rate for the certificates of deposit:

Bank	Amount	Interest rate	Length of deposit
1st Fidelity	\$100,000	3.5%	12 Months
Midlantic	\$1.5 Million	4.5%	90 days
United Jersey	\$3.5 Million	5.3%	12 Months

The team observed that the food service account carried balances from \$41,828 to \$1,177,594 with no interest income before July 1, 1995. This caused the district to lose an opportunity to earn more than \$11,000.00 in interest income. After taking corrective action for the fiscal year 1995 to 1996, the district has earned \$10,135 for this account.

During the review, the district complained that the delay of the Federal and State funding payments to the district caused the district to lose months of interest income.

The team also compared the total interest earnings from the sweep account to what would have the Camden City earned if invested with the Cash Management Fund of the State of New Jersey. It is the best interest of the district to continue to invest in the sweep account based on the following:

- 1) P.N.C sweep account has a high interest rate that compares favorably with the Cash Management Fund of the State of New Jersey.
- 2) Funds are very liquid.
- 3) Free service checking if the district maintains minimum compensating cash balances.

Overall the team found that the district did approach an aggressive investment strategy and their financial management system policies and procedures were working. It is suggested that the district periodically review this program with area banks' offerings in order to maintain optimal investment opportunities.

Recommendation::

Since the required compensating balance was high, the district should negotiate with the bank to reduce the compensating balance regularly in order to maximize earnings. If the district is able to reduce the compensating balance or charges by 20% they could earn an additional \$19,080 based upon a \$360,000 reduction in compensating balance at 5.3% interest over the period of a year.

Alternatively, the team believes that reductions can be achieved in the per item charges if the district were to actually pay for them. The team recognizes that this would be difficult to account for with the sweep accounts.

Savings \$19,080

TECHNOLOGY

The Board of Education in Camden has three people in charge of computerization in the district. One is charged with the educational component, another with the business component and the last the occupational component. Educational computing is run in an Apple/ Macintosh environment while the business component is a PC / LAN system with a UNIX operating system and the occupational component is PC/DOS. The business system is a recent conversion from a mini system that was reaching its limitations.

Educational Computing

The district has over 1,800 computers (over 600 Macs) in the 33 schools. Some of the schools have dedicated computer labs for education and there are four schools which have LAN capability and are on-line within the building as well as have the capability of being linked with other schools within the district. There is a great deal of discussion about linking with the internet in order to equalize the playing field for students through the use of computers and the director of this group has been a leader using this technology. Historically, the director successfully argued for additional computers in the classroom rather than adding extra employees.

The computers have been purchased with current fund dollars rather than bond issue money. The district believes it should not use bond funding because it would be paying tomorrow for yesterday's technology. The Research Planning and Technology group buys the best computer they can afford at the time of purchase. The group has plans for in-district E-Mail and Internet hookups in the future but would like to broaden its base of computers in every classroom with hookups to the internet and on line E-Mail. The district has been successful in partnerships on technology with other districts including Princeton Regional schools. The collaborative efforts are cross training and joint grant application writing (A & J DFG grants).

Computers are being used as remedial aids in the elementary schools with marked success. This is one area which Camden should expand its focus and resources. Camden can compete educationally through the use of computerization. Allowing students access to resources through networking and internet access should be a focus of future expansion in the district. Schools should strive to allocate one room dedicated to machines to be used throughout the day by students. Also the two high schools should be networked at the earliest opportunity. These rooms should be used by all students in order to familiarize themselves with the technology. There are costs to be attached to this direction, but at minimum both high schools should be linked to a network and internet access should be provided at the earliest opportunity.

There are inexpensive methods of internet access so the district's financial commitment is minimal. The district should investigate costs of providing both wiring of all classrooms in both high schools as well as providing internet access to them. Telephone (specifically ISDN) rates have recently been tumbling in New Jersey and internet access could be provided at minimal cost. The district should seek alliances with the surrounding business community or grants in order to seek financial assistance. This is a program which can show tangible results.

Business Computing

The business computing function maintains student records, attendance records, accounting, purchasing, personnel, payroll and scheduling applications for the high schools. Computing for the business end of the school district has undergone a major

platform revision recently as well as a software migration to a UNIX platform. The Board recently purchased dual pentium processors in order to speed the operation of its network. Lookups and data entry can be performed at remote location but downloads and system integration is minimal. Downloads to compatible formats is available but is done infrequently. Reports are usually ordered in paper format then are inputted into selected applications which are out of date and do not have any real in house support.

Most of the clerical staff in the personnel and the business offices have access to software packages but little in the way of training or support. The Board Secretary's system for assembling the board minutes is hooked up to key personnel but system integration is not fully complete. The networks are being maintained by traditional systems people adept at system design and report generation but lacking the resources necessary to adequately train staff and repair existing hardware and software. This has created a cycle in which the district invests in equipment and software the staff won't use. No one wants to learn the software if the work has not been streamlined and requires duplication of work.

This has crippled several of the systems, most notably the purchasing system. The process for purchasing is hampered most notably by the process of inputting information. Instead of spending the time and effort to train individuals to input and track a purchase order through the system, everything is done at least twice in the purchasing process and the paperwork and filing involved is excessive. Computer input is accomplished at the tail end of the cycle rather than at inception. This delays an already slow process. If requisition ordering were more user friendly and accomplished at the front line of the process rather than upon completion of the process, the purchasing system would run more effectively. People involved in the process would know status of their individual orders and communication would be more efficient.

Recommendations-

- #1- The district should train staff and more effectively integrate computer usage throughout the district in order to gain synergy from the computer technology. If personnel is adequately trained for processing information and transfer of information among or within platforms through the use of the report writing function of the existing system, the district can capitalize on its embedded investment in computer software and hardware.
- #2- The payroll system can handle the food service personnel using the Wiggins School as a remote location for inputting the payroll data for food service workers. This can be kept as a separate payroll for accounting purposes and would involve minimal training of existing personnel. Added cost is negligible and savings in payroll costs are about \$15,000/ year by dropping the vendor.
- #3- The district should employ use of the download manager in order to save duplication of effort. If the software transfers data electronically instead of manually is used just for monthly reporting purposes and 10 clerks work on

inputting data for 15 hours a month at 7.50/hr plus 30% benefits the savings through better utilization of their time is about \$150,000/year.

Savings \$165,000

Occupational Programs

Camden's Occupational Program (formerly known as the vocational program) has 120 students learning various software application programs including word processing, spreadsheet development, computer aided drafting and design on 16 PCs. The program can be utilized to further computing capability in Camden School District by performing an important role in augmenting the expansion of the network facilities in the district. Using their skills that are being developed in the classroom and under the direction of capable staff or a qualified contractor the vocational students can perform the work necessary to design and install a local area network in both high schools at a fraction of the cost of a contracted LAN installation.

Also, the district could utilize the resources of the vocational program students and give them valuable experience. The district's architectural drawings should be converted to digital (raster) format either by contracted service or preferably by students under proper supervision and updated electronically using Computer Aided Design (CAD) technology. Students under the guidance of the district's architect can assist in the update of these records as changes in the district's buildings are effectuated.

Total Savings \$165,000

SPECIAL EDUCATION

The Camden City School System has an extensive Special Education (SE) program with 3,786 classified students in 1994-1995 (including 982 students who are classified for speech only). Excluding Speech, of the remaining 2,804 students, 2,534 are educated within the district, 2,106 in self-contained classes and the remaining 428 in resource rooms. The other 270 SE students (as of October 15, 1994) are sent out of the district to both public and private educational centers. A three year distribution of special education students is as follows:

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96</u>
Sp.Ed.Students on roll full time	2,028	2,105	2,281
Sent out of dist full time	21	61	50
Sent to private schools	170	206	185
Regional day school	<u>5</u>	<u>3</u>	<u>1</u>
Total out-of-dist. Sp. Ed,	196	270	236
Received full time	2	1	4
Resource room	410	428	405
Speech instruction	<u>894</u>	<u>982</u>	<u>994</u>
Total special education	<u>3,530</u>	<u>3,786</u>	<u>3,920</u>

Note: The source of the above information is the District's ASSA report.

Students are sent out-of-district usually due to the extent or nature of the disability, placement by court adjudication, and/or the fact that parents are "partners" by law in the placement process.

Cost-per Pupil for Out-of-District Special Education students

School Type	Number of Students	Estimated Average Tuition Per Pupil	Estimated Average Transportation Per Pupil	Estimated Average Cost Per Pupil
Private	231	16,178	4,155	20,333
Public	12	3,454	4,155	7,609
Residential	-	-	-	-
Regional Day	3	11,161	4,155	15,316
Others	-	-	-	-

Note: The data source is the district for the year ending June 30, 1995. The total number of students for out-of-district special education are different with the ASSA report by 24 students due to transience during the year.

Based upon the data provided by the district , the average cost-per-pupil for out-of-district SE students is conservatively estimated at \$ 19,651. The district's overall cost-per-pupil (Pre-K to 12) is \$10,307.

There are six special education students from other districts attending classes in the Camden City District on a tuition basis. (The average tuition is \$7,592 per student). Since the average cost per student in the district is \$10,307 for regular education students. The district has a cash flow loss of at least \$2,715 per receiving student (total of \$16,290).

Efforts are being made at this time to provide as much in-district placement of SE students as is deemed feasible and cost-effective. SE students are not sent out-of district unless the district is unable to provide an appropriate level of education and yearly assessments are made to the SE population and its needs. However, according to the special education director, most of the parents in the district like to have their children educated outside Camden even if the district has the same type facility and programs. It cost too much for the district to afford this luxury. The city should endeavor to encourage parents of the merits of the city's special education programs.

In 1994-95 the Camden City School District maintained 205 self-contained SE classes, distributed among the 33 district schools to provide instruction for 2,105 special education students.

In an effort to help the Camden City District identify ways to control costs for self-contained SE classes, the Review Team sought to determine whether SE classes were at full occupancy. A complete analysis of each class in every school revealed there are many special education classes not filled to State allowable capacities. This is illustrated in the chart to follow. The Review Team conservatively calculates that 168 additional students could be educated within the district without hiring any more teachers or aides. The district could also free up 10 classrooms providing space for 90 students. They could return 78 students placed out-of-district to these spaces.

# of SE students in district	Allowable capacity	Available space	# of existing classrooms used	# of free classrooms	# of students to return to dist.
2105	2366	261	205	10	78

The Review Team recognized that differences in age grouping or other legitimate circumstances may preclude the district from filling every SE classroom to capacity or that special situations may exist as a result of analysis completed by the Child Study Teams (CST). The Team also realizes that “allowable capacity” means “maximum” number of students, not “recommended” number of students. However, it is imperative that the district continue to carefully scrutinize this matter every year and be certain that resources within the district are utilized to the fullest extent possible.

Out of the total number of students placed out-of-district, 51 are considered to be severely learning disabled and would likely remain in their current placements. Thirty-eight (38) are in residential or court placements and would, therefore, remain as placed.

NOTE: Special Education Classifications are as follows:

PSH - Pre-school Handicapped	TMR - Trainable Mentally Retarded
ED - Emotionally Disturbed	EMR - Educable Mentally Retarded
PI - Perceptually Impaired	AH - Auditorially Handicapped
MH - Multiple Handicapped	NI - Neurological Impaired
AUT - Autistic	CH - Communication Handicapped
CI - Chronically Ill	SM - Socially Maladjusted

In February, 1996, the department of special education in the Camden district tried to implement the Camden Elementary Integration (CEI) model for 1996-1997, which focuses on providing students who are classified Perceptually Impaired (PI) within their neighborhood elementary school. The review team supports this.

Recommendations:

The LGBR suggests two options, representing varying cost savings, for instructing more SE students within the district; utilizing existing teachers, aides and classrooms. They include the following:

Option 1

(a) Return 80 out of district SE students to in-district class.

Savings: \$9,344 plus transportation for each out-of-district SE student brought back into the district.

Average cost for out of district SE student	\$ 19,651
Less: Average cost for in district student	<u>10,307</u>
Total savings for each returned SE student	\$ 9,344

Suggested savings: 80 students @ \$9,344 \$747,520

(b) Reduce the number of self-contained SE classrooms by 10

Salaries and benefits for 10 teachers	\$375,000
Salaries and benefits for 8 aides	<u>136,000</u>
Total savings	\$511,000

(c) Increase the tuition received from other districts

Revenue: Average cost for in district SE student	\$10,307
Average tuition paid by other districts	<u>7,592</u>
Additional Revenue	\$ 2,715

Maximum 6 x \$2,715 = \$16,290

Total savings for option 1 \$1,274,810

Option 2

Make use of all the allowable capacity by returning as many out -of - district SE students to in-district classes as possible.

(2a) Maximum savings: 168 students @ \$9,344 \$1,558,536

(2b) Increase the tuition paying from other district (see option 1c)
Savings \$16,290

Total savings for option 2 \$1,574,826
Total Savings - Special Education \$1,274,810 - \$1,574,826

SPEECH PROGRAM

The District is providing a program for students identified as needing speech correctional services. The methodology used includes:

- Six mobile classrooms serving about 180 - 200 students with the speech correctionists driving the mobile units ; and
- Other students are being served in portable classrooms located at five school sites namely, Forest Hill, Powell, Yorkship, McGraw, and Veterans.

Whether being served within regular or self contained classrooms or are being pulled out, the students require specialized staff. The District has identified the need for additional specialized staff to improve the delivery of the program to appropriately identified students.

The state classification rate for students receiving speech services as of December 1, 1995 was 3.23%. Camden students receiving these services as of this date was only 1.25% of its enrollment. Students served in 1993 numbered 1,068, in 1994 numbered 883 and in 1995 was 1,103. Speech correctionists servicing the city's speech program totaled 16 for 1994 and 24 for 1995.

Camden's speech program when compared with the Paterson and Elizabeth programs, based upon the 1994-95 CAFR and ASSA, indicates that Camden expended the lowest per student amount - \$463 as opposed to Paterson's \$1,024 and Elizabeth's \$1,197. The Camden Special Education Plan for 1996-1999 specifically calls for increasing " the number of speech language specialists by 10% to provide a specialist in each elementary school." The review team concurs with this projection. However, concern is being raised as to whether this will be enough to meet the district's needs. The team also questions whether the district is correctly identifying all students needing speech correctional services. Additionally, it is believed that the district should examine whether the degree of service currently being provided is exacerbating problems arising later in the students' learning process.

GUIDANCE PROGRAM

The guidance and counseling program is an integral segment of a school district's educational program. The program evolves from providing students, parents, community and staff members with services which help to promote self understanding and emerging personal relationships on through addressing and resolving problems to the point where students are enabled to identify and pursue individual goals and aspirations.

The district's 1994-95 End of the Year Report outlines a wide range of activities and programs its guidance staff participated in during the school year. The specific functions set forth in the counselor job descriptions highlight the heavy responsibilities placed upon

these positions. Counselor interaction with students, staff, parents and community in carrying out its duties and responsibilities is greatly impacted by the number of students each counselor is expected to serve. The district has an obligation to provide its students and staff with a reasonable student counselor ratio.

Currently, the district has 57 counselors with the following breakdown:

2 high schools with 7 counselors in each	14
1 Medical Arts High School which shares with another school	.5
5 middle schools with 3 each	15
25 elementary schools	24.5
other (central office and alternative programs)	3

Compared with widely accepted ratios the Camden district's assignment of counselors is difficult to reconcile. For example:

Table #8

ELEMENTARY SCHOOLS	Jan. '96 Enrollment	Counselors
Bonsall	974	1 +1 shared with Medical Arts High (99 students)
Broadway	200	1 shared with South Camden Alternative (77)
Dudley & Catto	428 + 200	1
Cramer	725	1
Cream	790	2
Davis	952	2
Forest Hill	755	1
Lanning Square	667	1
Molina	905	1
MIDDLE SCHOOLS		
East Camden	898	3
Hatch	586	3
Morgan Village	741	3
HIGH SCHOOLS		
Camden	1603	7
Wilson	1355	7

The American School Counselor Association in The School Counselor and Comprehensive Counseling (Adopted 1988; Revised 1993) states, "A counselor/student ratio of 1/100 (ideal) to 1/300 is recommended in order to implement a comprehensive developmental school counseling program designed to meet the developmental needs of all students." The New Jersey State Department of Education considers a range of 1/300 to 350 acceptable. The American Association for Counseling and Development recommends 1/ 400 for elementary, 1/393 for middle schools and 1/375 for high schools.

The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends a range of counselor services from approximately one counselor for every 225 students in high schools to one for 337.5 in middle schools to one for approximately 500 students in elementary schools.

Recognizing the myriad of problems deemed to be inherent in a district having a substantial at risk population, the review team suggests ratios that correspond with DOE recommendations. Thus, the LGBR recommends that the district establish a more equitable distribution of its guidance counselors by reassigning counselors to follow the DOE model guidelines.

HEALTH SERVICES

Health services are provided to the Camden Schools by 45 nurses. This includes clinics at the two high schools and for additional services at the "family schools". Just as with guidance counselors, the nursing staff is not evenly distributed across the schools and enrollments. Some elementary schools such as Bonsall and Molina have three nurses for their enrollments of 985 and 906 respectively while others have just one with nearly as many students. These include Cramer with 732 and Lanning Square with 681 students. Smaller schools with 215 or less students (Catto, Broadway and Powell) have a nurse. The high schools with nearly 1400 and 1700 students have three nurses. Nurses duties include medical emergencies, distributing medications prescribed to students, assisting physicians with physical examinations, and maintaining health records on students. Family Schools with school based health clinics provide a wider range of services.

The Review Team recommends a more equitable assignment of nurses throughout the district in accordance with DOE guidelines.

The level of computerization found in the nurses' offices varied by location. At Cooper's Poynt there was a high level of report generation as well as desire to automate filing and reporting. Assistance was provided by the computer aide in developing applications on the computer to ease the paperwork burden. If this effort was uniformly spread district wide and the nurses were able to utilize computers effectively, more efficient reporting could result at minimal cost and ultimately saving time and money.

School physicians are paid under contract and are provided with health benefits including vision, dental and prescription. The average cost is just over \$5,400 per employee. The cost of this benefit is \$86,400. Physicians are a contracted service, not employees of the district. They are not entitled to these benefits and they should be discontinued.

Savings \$86,400

PARENT SCHOOL COORDINATORS

The district currently has 11 parent center coordinators located at various school sites throughout the system at an annual cost of \$221,025. These coordinators are 12 month employees. The district also has three (3) district wide parent coordinators. The Paterson School District which is slightly larger has a total of six (6) parent coordinators.

The review team recommends that all parent coordinators except for one central coordinator be changed from 12 month to 10 month employees to be consistent with the regular school year. The one 12 month coordinator remaining along with other district personnel could easily handle special situations occurring during summer months. Further, it is recommended that the parent coordinator staff be reduced from 11 to 8 at school sites and that the district wide coordinators be reduced to one.

The dollar cost savings to the district would total \$157,395. This is calculated on the basis of an average parent coordinator salary being \$20,093. Reducing a total of five (5) positions plus 30% for benefits equals \$130,605. Reducing eight (8) coordinators from 12 months to 10 months saves an additional \$26,784 (\$1,674 per month x 8 x 2 months).

Savings	\$157,395
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ADULT EDUCATION PROGRAM

The adult education program provides a tremendous service to the citizens of Camden. It is designed to provide adults with the opportunity to complete their high school education, continue existing or past educational programs, increase their knowledge and/or improve various skills. Many adults attend to improve skills and abilities in acquiring proficiency in English language.

A major segment of the program deals with adult basic skills in preparation for the GED diploma test. A Spanish GED program is conducted at about 12 sites. The GED testing center located at the Jerrothia Riggs Educational Center has been adversely impacted by local and state funding cuts. Locally, the GED lead examiners workweek has been substantially reduced from 30.5 to 17.5 hour per week. This necessitated the reduction of the number of persons who could be tested in each session. Examinees previously were not required to be placed on waiting lists. However, the sessions are now filled at least two weeks in advance causing delays in being tested. Delays often run as long as four weeks before the test could be administered.

Balance this delay against the growing requirement to have a high school diploma for the existing job market and welfare reform mandates and one can see the adverse impact being imposed on these people. In addition, funding cuts in the state have necessitated the closing of other test centers in surrounding counties causing an increase in requests for testing in Camden.

Another major area of concern of the adult education program is the adult high school for the completion of the requirements for a high school diploma. This program is conducted at the Riggs Center, Camden High School and Woodrow Wilson High School. The specialized career and technical programs at the high schools have a low enrollment.

The district offers transportation to its evening adult programs. The LGBR supports this provision for it provides a valuable service to get adults to the center who would otherwise not be able to attend.

The LGBR makes the following recommendations regarding adult education:

- In light of decreasing funding, the GED program should be reviewed with the purpose of consolidating sites resulting in fewer locations yet serving applications in a timely manner;
- Action should be taken to consolidate the evening adult programs to the Riggs Center where there is adequate classroom space, parking and security;.
- All instructional staff should then be located at the Riggs Center;
- Adult education and district vocational education should be combined under one department; and
- The teacher assigned to the center for truancy/attendance should have specific class assignments - on several visits to the center by the review team this teacher was observed to have no active instructional activities or students.

With consolidation as recommended savings of approximately \$82,205 could be realized. This would be achieved by saving the costs of operating the Camden High adult program (\$69,910) and Wilson High adult program (\$94,500). If just half of this total expenditure of \$164,410 were saved by eliminating duplication of staff, materials and other program costs at these low attendance sites, \$82,205 would be saved.

Savings	\$82,205
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SCHOOL AGE CHILD CARE PROGRAM (SACC)

The district operates the School Age Child Care Program (SACC) in eight of its schools. Each school offers before and after school programs for at risk students. The special programs account (#11230100100-0209) for homework centers/related activities has a budget of \$450,000. The programs are projected to start the first day of school and operate through the last day of school. The hours of operation are from 7:00 to 8:30 am and continue for 2.5 hours beyond dismissal for a total of four hours daily on the dates of the school calendar except on dates of weather or other emergencies.

The program is intended to be instructional to include tutoring, arts and crafts, storytelling, homework assistance and recreational games. Appropriate activities are to be based upon daily written lesson plans.

Observation at three morning programs by review team staff revealed the following:

- Bonsall School - Five (5) students were in attendance with two (2) instructional assistants supervising them. Two students were working independently on assignments. The other three were not engaged at all. The instructional assistants were not sure who was in charge. It appeared that this was essentially a baby sitting program. The school had a breakfast program going on at the same time in the multi-purpose room where there appeared to be no structured activities.
- Cream School - There were 16 students present. The children were involved in doing either homework, cooperative activities or games. There was an administrator in charge.
- Coopers Poynt School - Approximately 150 students were present and engaged in a variety of activities. The administrator in charge had five (5) instructional assistants aiding with the activities which included video presentation, homework, games and group activities.

Observation at three after school programs by team staff revealed the following:

- McGraw School - Five (5) primary students were doing homework under the supervision of a teacher in one room while 22 K-5th grade students were doing homework assisted by a teacher. An administrator was in charge.
- East Camden Middle School - Several groups of students were doing primarily homework assignments. These included 20 fifth graders in two groups, 17 sixth graders working in another, 12 seventh graders and 12 eighth graders were working in other groups.
- Cramer School - The principal was overseeing the program. A mix of 25 K-4 students were working with a teacher and two instructional aides on a homework related lesson. About 20 other students in three Title I classes for first, second, and third/fourth graders were working in another area of the building.

The after school programs were substantially more structured than the morning programs but all appeared to lack lesson plans. Students were primarily doing their current homework assignments.

A review of the income and expenses for this program during the months of October through December, 1995 reveal the following:

MONTH	REVENUE	EXPENDITURES
October	\$ 9,690.00	\$27,532.57
November	15,371.00	44,430.23
December	11,585.00	20,757.14
Totals	\$36,646.00	\$92,716.94

Revenue is generated by fees paid monthly by parents. Expenditures have exceeded revenue for the period above by some \$56,071 primarily due to the district's failure to meet its projected enrollment of students. Projections and student participation for this three month period were a total of 918 projected for the eight schools with just a total of 159 students participating in the morning programs and 280 in the after-school programs.

The ratio of staff to students actually participating in the schools was disproportionate to need and was, thus, excessive. The most obvious examples illustrating this were at Lanning Square and Bonsall Schools. At Lanning Square one instructional aide was paid during the month of October with no students participating and four were paid for the after-school program in November with just five children attending. At Bonsall School one principal, one teacher and three aides were paid to supervise just 20 children in October. Supervision ratios in the other schools were at similar counts.

Recommendations:

The LGBR recommends the following:

- The staff needs for all special programs should be reviewed and appropriately revised to reflect more realistically the number required to successfully implement the program.
- Administrators are not required to supervise the SACC programs. Further, as reviewed in the earlier section on negotiated contracts, it appears they are not entitled to remuneration nor should they be paid for special programs occurring during a professional workday. As such, savings exceeding \$95,000 could be realized by eliminating pay to administrators for all before and after school programs (excluding evening - after 7:00 PM and Saturdays). This is calculated as follows:

School	Before School Programs	After School Programs
Coopers Poynt	\$4,596.48	\$8,365.32
Davis	4,544.80	8,365.32
Lanning Square	5,576.88	6,894.72
Sumner	5,576.88	8,365.32
Cream	5,576.88	8,365.32
Cramer	<u>4,596.48</u>	8,365.32
Bonsall		<u>8,365.32</u>
Total	\$30,468.40	Total \$57,087

Savings \$87,555

It is noted that some of this pay is for other Board sponsored programs than SACC. The same recommendation stands for administrative pay for all after school programs, that is to eliminate it.

- The Lanning School SACC program should be closed for lack of participation. Others should be considered or perhaps consolidated.

Savings \$17,475

Total Savings \$105,030

ATTENDANCE

The Camden School District is faced with a number of problems relative to student attendance. These include a low attendance rate causing the district to fail State monitoring and not be certified; a high rate of truancy causing additional costs to the district and to the city; and facing a huge penalty of a loss of state aide in the amount of \$26,576,487 for reporting inflated enrollment numbers on its annual Application For State School Aid (ASSA).

The State mandates that school districts meet a standard of a minimum of a 90% attendance rate in order to be certified. Prior to this school year the district was unable to attain this standard. Through various incentive programs, attendance has been somewhat better this school year with an overall attendance rate of 90.1%. This overall district rate can be attributed to very good attendance in the elementary schools. However, attendance continues to be poor in the high schools and junior high schools. The high schools reflect an attendance rate of between 79.8% and 82.1% through February of this year. Three of the five middle schools have recorded attendance rates between 86.5% and 88.5% for the same period. Clearly, the middle and high schools need to have a high degree of attention devoted to them to combat this insidious and costly problem.

Camden is not alone in this low level of attendance problem. When compared with 10 of the larger districts in the state with similar socioeconomic demographics, Camden's attendance rate is also similar. These city districts exhibit an attendance rate ranging from a low in Jersey City and Newark of 89.1% to a high of 92.1% in Union City.

Truancy has been identified as a major contributor to the high absenteeism, particularly in the secondary schools. This is caused by many social and economic factors. These have been addressed on many occasions and most recently identified in a report issued in September, 1995 by the Office of Human Resources. In this report the department coordinator identified specific problems that are having an adverse influence on school-age children, and described an ongoing project with Rutgers University to treat children and families in crises.

Some of the problems cited are as follows: poor parenting skills; transience; parental divorce; parental drug abuse; children plagued with medical problems such as head lice and ringworm; and child abuse to name a few. Another is fear in passage to and from school with neighborhood violence problems. These problems, coupled with the economic plight of most Camden families, do not lend themselves to an atmosphere conducive to learning, especially at the formative years. Consequently, these obstacles manifest themselves in the child's attendance, behavior and performance in school.

The New Jersey Department of Education's Office of Compliance conducted an audit of the district's attendance registers for the 1990-91 school year along with enrollment data for various special programs such as at risk, special education, bilingual, speech and supplementary instruction and for resident students on roll for students sent out of district for special programs. Enrollment figures in almost all categories were inflated resulting in overpayment of state aid in the amount of \$26,576,487. As stated by one Board member, principals and other administrators "cooked the numbers" in their reporting of enrollment and attendance figures. The district was advised of the results of the DOE investigation in August, 1995. They have made efforts to rectify the matter and have appealed the state aid reduction.

The district's Corrective Action Plan has targeted getting the attendance rate above 90% and the drop out rate to below 10%. In conjunction with the Mercy Health Plan - NJ HMO/Blue and Power 99 Radio, a student attendance improvement plan was developed. This includes various incentives and rewards for excellent attendance. These include prizes to individual students, classrooms and schools. Other community organizations and business enterprises have joined in to encourage good attendance and high achievement. These efforts seem to be helping. The LGBR applauds the business and community effort and support feeling extra incentive and reward should come from resources other than just from taxpayer expense.

The onus of accurate reporting and recording of attendance is on the local school faculty and administration. This goes beyond the taking of attendance in only the homeroom in the secondary schools. Students have learned that they just need to report for homeroom at the start of the day and then can cut out for the remainder of the day and still be counted as present. The state does not require that attendance be taken each period of the day. Cuts are not accounted for in the overall attendance rate and no one is identifying how significant cuts are to overall attendance and the impact on student learning.

The team investigated discrepancies in the attendance system during the issuance of report cards. It was determined that the individual schools were changing the records without rationale to do so. Attendance record keeping should have solid controls to prevent changes without authorization.

Methods for taking attendance and monitoring cuts are outdated and ineffective in Camden's schools. Reports should be passed to each teacher in the high and middle schools by 11:00 AM in order to reduce the students' tendency to cut classes. Further, although tardiness is recorded, nothing is done about it.

The voluminous number of absences and truantries places a huge burden on the district's Attendance and Truancy Officers. The process of issuing 3, 5, and 10 day absence letters and follow up to so many students results in several days lapsing before action can be taken. The administration is faced with trying to return students to school for excessive and unexcused absences while teachers are working to get students to class and having them come on time.

One case in point is that of a high school student who cut his 7th and 8th period classes for the entire 2nd marking period. Furthermore, this student failed his 3rd through 6th period classes because of excessive cuts (as many as 21 per class). The student passed only his 1st and 2nd period classes with a "C" grade. The teachers from the 7th and 8th period classes dropped the student from their rolls because he never showed up for class. In all of this, the Dean of Students was never notified of the situation. Moreover, the student's attendance record indicates that he has been absent only six days for the entire year. In this case, and others like it, the student escaped the system because the faculty did not coordinate their efforts and follow up to identify this situation and to help the student.

In this large system there appears to be very little coordination or cooperation between schools and principals. Furthermore there is a problem of communication and the sharing of relevant information. Principals who are successful with attendance and other student problem matters do not share their methodology with those who are not. As a result the municipal and family courts receive an estimated 120 and 300 cases per month respectively on truancy and family related matters.

The LGBR feels the district needs to develop a comprehensive plan to deal with this major problem and to routinely monitor the plan and to modify it as circumstances change. The plan needs to be articulated to all school staff and strictly enforced with the principals and teachers as well as with the students. The review team further recommends the inclusion of community stakeholders such as parents, police, courts, probation and other agencies and to enlist their support and cooperation. The plan needs to focus and target certain groups of students and families in an effort to provide appropriate intervention and treatment.

Various plans and efforts have been made this year and in the past. However, they do not appear to be effective and are not closely monitored. Plans are only effective if they are universally enacted and vigorously followed.

In July and December, 1994, reform plans were announced by the Board of Education and published in the Courier Post and Philadelphia Inquirer. The articles alluded to a 10 point plan which repeated some existing policies and noted new ones. It further elaborated how external agencies such as the courts and DYFS would become more involved with the students and their parents. Success was not achieved with long term effectiveness because the school system did not actively monitor the progress of the student and the parent involvement and did not coordinate nor collaborate with the relevant external agencies. Moreover, the 10 point plan was resurrected this past February and introduced as something new and innovative which would curb violence as well. It echoed much of what was announced in the past.

A Student Attendance Improvement plan introduced in September, 1995 illustrated activities, staff responsibilities and timelines but did not specify measurable outcomes nor consequences if the objective of not attaining an average daily attendance rate of 90% is not met.

Another example of how plans are not followed up and carried out is with the Student Attendance Handbook. It is very well written and understandable, but again, no one is monitoring the whole system and whether the guidelines are being followed.

The LGBR team spent much time with the administration and leadership responsible for attendance to consult and facilitate a workable plan for success with attendance and truancy. We also met with court and community agencies for their thoughts and input. The conclusion of the LGBR is that no plan or recommendation will work without commitment to work the plan.

The district budgets \$710,000 to cover the costs of student attendance and truancy paying for supervisory and support staff and for attendance and truancy officers. This does not begin to cover the cost to the school district and to the city.

The following cost projections highlight those persons and areas involved in the attendance process and the estimated time dedicated to this effort. These numbers were concluded after consulting with staff who work with this problem and, with that, projected costs were determined that are conservative and realistic.

Cost to the School District

Of the 2,200 students on the excessive absence report as of 2/21/96, 1,400 were from the two high schools (i.e., Camden and Woodrow Wilson) and the five middle schools (i.e., East Camden, Hatch, Morgan Village, Pyne Point, Veterans), which represents 64% of the truant population.

We estimated the cost of Truancy as a ratio of the overall attendance function, by considering the resources needed to monitor, control, and maintain the relevant components for the school year and dividing these costs by 6,600 students. We choose this number because it also accounts for the portion of the students who are absent without a legitimate excuse but are not accounted for on the excessive absence report. Notably, there are no statistics illustrating how many students fall into this category, but we feel it's reasonable to estimate that there are at least twice as many students who fall below the 18 day threshold. However, we understand that the effort to maintain contact and monitor this group warrants inclusion in our overall cost estimates.

The following are those areas and individuals involved in this process, and the estimated time and cost of their effort, including fringe benefits. These numbers were concluded after contacting certain individuals involved in this effort; with that, we arrived at what we feel are conservative and reasonable costs.

Table #9

	<u>Salary</u>	<u>Contact</u>	<u>Time Spent</u>	<u>Cost</u>
Central Administration:				
Superintendent	160.0K	1	10%	\$16,000
Assistant Supt (s)	132.7K	2	10	26,540
Director (s)	97.5K	3	10	29,250
Supervisor (s)	84.5K	5	20	84,500
Transp Supervisor	104.4K	1	25	26,100
Attendance Officers / Truant Officers /				
Clerical Support Staff	923.0K	26	100	923,000
Other Support Personnel	34.5K	3	25	25,875
Total		41		\$1,131,265

Note: For the 41 contact persons noted, the average time spent is 29.0%.

High Schools:

Principal	100.1K	2	35%	\$70,100
Asst Principal	86.6K	3	50	129,900
Dean Of Student	57.1K	2	50	57,100
Admin Assistant	67.7K	5	50	169,250
Community Coordinator	22.6K	3	50	33,900
Social Worker	52.9K	4	50	105,800
Guidance	60.6K	13	20	157,560
Psychologist	76.6K	2	20	30,640
Clerical Support	33.3K	16	20	106,560
Faculty	58.5K	183	10	1,070,550
Instructional Assistant	16.0K	11	5	8,800
Health Services	50.5K	4	5	10,100
Total		248		\$1,984,160

Note: For the 248 contact persons noted, the average time spent is 30.0%.

	<u>Salary</u>	<u>Contact</u>	<u>Time Spent</u>	<u>Cost</u>
Middle Schools:				
Principal	100.1K	5	35%	\$ 175,175
Asst Principal	86.6K	6	50	259,800
Dean Of Student	57.1K	1	50	28,550
Admin Assistant	67.7K	6	50	203,100
Community Coordinator	22.6K	5	50	56,500
Social Worker	52.9K	1	50	26,450
Guidance	60.6K	12	20	145,440
Psychologist	76.6K	5	20	76,600
Clerical Support	33.3K	23	20	153,180
Faculty	58.5K	237	10	1,386,450
Instructional Assistant	16.0K	36	5	28,800
Health Services	50.5K	4	5	10,100
Total		341		\$2,550,145

Note: For the 341 contact persons noted, the average time spent is 30.0%.

The annual estimated cost to the school district is \$5,665,570, which is an average of \$858 per student (i.e., 6,600 / \$5,665,570). Using 6,660 students as our base, i.e., excessive absences, consider that for every 10% reduction in unexcused absences, i.e., 18 days or more, the school district would realize a savings of **\$566,280** (i.e., 660 students x \$858). This is a very modest number considering the fact that 660 students account for only 3.3% of the total school district student population of 20,000.

Savings \$566,280

External Agencies

Additionally, we calculated the costs to the following entities separately because they are typically with the student and family when the unexcused absence reaches 10 days and the courts intervene. However, with the enormous strain on the system, the family may not be called to court until 20 plus days have passed, even though all notifications were served as prescribed. Therefore, we chose to use the 2,200 students on the excessive absence report, as our base in calculating the costs these external organizations.

Table #10

	<u>Salary</u>	<u>Contact</u>	<u>Time Spent</u>	<u>Cost</u>
Municipal Court:				
Judge - Bailiffs -	45.5K	8	20%	\$55,000
Court Adm - Prosecutor				
Clerical Support				
Camden City Police:				
Patrolmen - Supervisors	58.5K	15	10	67,500
Family Court:				
Judges - Court Mgr -	45.0K	10	40	140,000
Therapists - Counselors				
Clerical - Team Leaders				
Probation Office:				
Probation Officers/Mgr	58.5K	4	40	72,000
Other Agencies:				
Camden Cty Bd of Soc Serv	58.5K	6	40	108,000
D Y F S				
Prosecutor's Office				
Total		43		\$442,500

Note: For the 43 contact persons noted, the average time spent is 30.0%.

The annual estimated cost to these agencies is \$442,500, which is an average of \$201 per student (i.e., 2,220 / \$442,500). Using 2,200 students as our base, consider that for every 10% reduction in unexcused absences, i.e., 18 days or more, these agencies would realize a savings of **\$44,220** (i.e., 220 students x \$201). Note that although a savings is calculated for the city agencies, this value is not computed into the overall savings to the school district in the final tally.

SECURITY

Security in a school system is in two forms. One is the safety of its students and staff. The other is in the protection of its property from theft and vandalism. Camden's schools are plagued with the problems common to many urban schools. The problem is intense in scope and costly to the district and city. The negativity of the crime related activity is costly to students in terms of their learning, attendance and feelings of safety.

Presently, the schools are set up for the most part within a structure that allows countless opportunities for students to enter and leave the schools undetected. This problem is further exacerbated by the fact that unauthorized persons can also wander in and out of buildings without being questioned. This is particularly so in the secondary schools where it is virtually impossible to monitor all ingress and egress points in the various buildings when, for example, in one building there are 80 different access points alone.

Furthermore, the current method of monitoring student traffic inside and outside the facilities has become a never ending battle for faculty and staff. This has contributed greatly to the excessive class cuts and allows for tardiness to go undetected.

Security personnel hired to monitor student movement and to provide protection to them are insufficiently trained and thus are ineffective in their positions. They are intimidated by the older students and fear for their own safety. They do not command the respect of the students nor do students feel they have authority over them.

The district's solution to the problems has been simply to hire more security guards. This has not solved the problem. The district has requested uniformed city police officers to patrol the high schools, however, this has been met with resistance because the city and school officials dispute who should pay for this added protection.

Safety of students reaches beyond the walls of the schools and the school grounds. Students and their parents have expressed fear in just getting to and from school each day. Routes of travel for students often takes them through high crime areas and severely decaying neighborhoods. The city needs to provide safe corridors of travel for its children to get to school safely and without intimidation.

Facility itself lends to safety and security concerns. A thorough walk through of the two high schools and East Camden Middle Schools was arranged by the LGBR team with the district's architect and facilities supervisor and with a representative of the city's Chief

Fire Marshall's office. Specified deficiencies in the maintenance of these three schools relative to security and safety were identified. Some were more severe than others and need to be prioritized. The team feels many of these problem areas are forces constraining the present security system in the schools.

Security of property and equipment is also a major problem. Walk-throughs by team staff revealed extensive graffiti and damage that had to be done by students during school hours. This was particularly evident throughout Woodrow Wilson High School.

Theft is also a problem that seems to be without solution as security currently exists. In October of this school year an estimated \$18,000 worth of computer and other equipment was stolen from Wilson High. Evidence, as it was reported to the LGBR by a variety of sources including administration, custodians, security personnel, Board members and others, indicates this was a "breakout" or "inside job". Beyond initial outrage by the Board and some members of the public at the November Board of Education Meeting, the school district has taken a very casual attitude toward the incident. In fact, some employees appeared to be annoyed that the team expressed concern over replacement of the stolen items to the school and its students.

To date, none of the items have been found nor has anyone been held responsible or arrested for this crime. The items were not covered by insurance since the total value was under the \$25,000 insurance deductible. The police have investigated the matter and have not, as yet solved the case. It is not believed that they will. Someone must be held accountable for this theft and measures must be taken to prevent reoccurrence in the future.

In 1993, the Board contracted a consultant firm from Bethesda, Maryland to conduct a study of safety and security in the Camden Schools. A complete report of their findings and recommendations was submitted to the Board in March, 1995 entitled Safety and Security Assessment of the Camden City Board of Education. This was a very comprehensive report which the Board paid to have prepared but has not utilized to correct its security problems, deficiencies and needs. The report addressed offenses such as intruders, fighting, vandalism, teacher assaults, gangs, fear in the neighborhoods and others. It critiqued security operations and personnel citing poor training, little authority and work not fitting job descriptions. It offered suggestions regarding revision of Board policies and the communication of these to principals, teachers and staff. It made specific organization changes in security and specified duties for each position category. The report sits collecting dust.

It would behoove the Board to distribute and implement the plan or to at least use it to develop a strategic plan to be put into place and utilized.

Judges recommended street sweeps be done in cooperation with the courts and the police to pick up truants and delinquents. The city has reinstituted its daytime curfew not permitting school age children to be on the streets while school is in session and its night

time curfew to keep students off the streets after 10:00 PM on weekdays and 11:00 PM on weekends.

Much of the property security operation, particularly weekend coverage, is done through payment of overtime. These costs are 1.5 to 2 times (time and one-half or double time pay) more than regular pay rates and more than they should be. Custodians and other employees are often assigned this responsibility. Guards placed on duty and hired specifically for security work and assigned to the hours and days of coverage needed would reduce these costs substantially. It is projected through the elimination of the overtime provision that 33% to 50% of these costs would be saved through flexible non-overtime scheduling.

PURCHASING, INVENTORY AND WAREHOUSING

The team performed a review of the purchasing, inventory and warehouse operations of the Camden School District. In recognition that an effective school district must manage and control its assets and processes, both educationally and operationally, the team paid close attention to the procurement process.

The Camden Board of Education expended approximately \$205 million in 1994-95 procuring goods and services in order to provide an education to the children of the city. . Of that amount, \$81,313,500 were direct expenditures which would have required the use of the district's procurement system. Any procurement system constitutes more than just the purchasing department. In Camden, it also includes warehousing, distribution, budget and capital funding analysis and the procurement of consultant and professional services. It is to the district's and taxpayers' best interest that this business entity have strong internal controls. The internal control process should be utilized to safeguard the expenditure of \$81 million.

Table 11

Salaries and Wages	\$117,905,789
Expenditures	81,113,500
Debt Service	3,143,917
Total	\$205,195,007

Purchasing

The team found that the purchasing department was not utilizing the most modern management and information gathering technics in its operation. The deployment and utilization of the department's staff added significantly to this problem. The process in place for the schools to order and receive goods and services is cumbersome, antiquated

and lacks an effective system of controls. The purchasing system recently installed is basically a paperwork processing system designed to print purchase orders and carries with it no analysis or evaluative software features. There is no tracking system in existence from the schools to the purchasing department for materials or requisitions.

The team observed that the district does not have a purchasing manual. There is a series of written communications and instructions for various purchasing functions. In response to inquiries about the established purchasing system, to ensure the flow of goods and services in an effective manner, the team was provided a purchasing flow chart dated 1969.

The district generally goes through a period from January to July in which the purchasing department appears to exist solely for the preparation of specs, advertisement and receipt of bids, preparation of bid tabs and awarding of bids. A significant delivery of goods, services and equipment appear to occur in months after the first day of school. The timing of this process does not support the needs of students or staff.

The team learned that purchase orders were not issued for professional services or change orders on construction contracts. The accounting office prepares and authorizes changes to purchase orders and the purchasing office cannot change a PO once issued.

The food service department does not use purchase orders for the procurement of its food stocks. The purchasing department does, however, solicit the quotes. The food service department performs the necessary quality assurance/quality control of products submitted by vendors. The team noted that items purchased throughout the district can be secured without a purchase order and, received an unsatisfactory answer concerning the financial records of these purchases. This means the encumbrance system is not complete or accurate.

Throughout the district the question of late delivery or no delivery at all by vendors has been a problem. The Camden Schools have a poor reputation with its vendors relative to timely payment. The district considers 45 to 60 days as timely for payment. This late payment process is undoubtedly a strong contributor to the prices that the district receives. It also affects the bidding process by generating a lack of interest among potential bidders. There is a high degree of similarity in the awarding of bids in the areas of consumable products and particularly its capital projects. Any entity that spends \$81 million per year should see a more competitive and open response to its needs for goods and services.

In an analysis of contracts, it was determined that the district is over reliant on its statutory right to extend existing contracts. The extension of a contract can serve to assist the district in many ways if it provides a continuity of service, particularly where low prices have been effective. The district should revisit the issue of contract extensions and utilize its staff to perform purchasing analysis and market research. While statute permits a 10%

increase in a contract extension, it allows price reductions as a basis of negotiations before renewal.

The district also has no formal request for proposal (RFP) process in areas of consultant and professional service contracts. A more alarming issue concerning internal control is that the purchasing system does not issue purchase orders for construction projects. All purchases of all kinds should flow through a formal purchase system in a like manner.

Inventory and Warehousing

The district maintains a warehouse system consisting of three branches. One is for warehousing the general stores and is managed by the purchasing department. The second is at the maintenance and repair facility and maintains an inventory of custodial supplies and equipment and maintenance and repair parts and materials. The third stores surplus items, books, paint and hazmat materials. There is no coordination of these operations as each is separate and distinct from the other.

The overall cleanliness, organization and high degree of safety awareness exhibited in the operation of all three warehouses was impressive. All equipment, new or used, was on pallets and is accessible by forklift and pallet trucks. Materials were covered until opened and as needed. Appropriate safety equipment and security was exhibited.

An analysis of warehouse operations was performed to identify the cost to the district for the operation of the warehouse facilities. This was determined as follows:

Table 12
Cost of Warehouse Operations

Lease - Florence Av. Warehouse	\$ 75,000
Salaries	164,590
Benefits (30%)	49,377
Utilities (60,000 sq.ft. x \$.55)	33,150
Trucks (delivery*)	38,880
Total	\$360,997

*Proration of 3 trucks over 5 year life

Due to lack of inventory control records and an inconsistent method of financial accounting, the team had difficulty assessing the cost per unit measure for equipment and materials handled. This internal analysis should come from the district's chief financial officer and accounting department with concurrence of the external auditor.

Although there were incidents of theft and sale of school supplies and equipment reported to the team, we did not witness nor could we document these losses. The system, or lack of one, as it exists does lend itself to the potential for theft and employee abuse. The

opportunity for losses was high. The lack of an information technology system and standardization as to units of measure and uniform inventory controls add to this problem. The lack of internal financial accounting controls and a review of inventory transactions diminish our comfort with this system. Without adequate data, management cannot make sound decisions.

Fixed Assets Control

The district has addressed the issue of fixed asset control and inventory. The recent conversion to Generally Accepted Accounting Principles (GAAP) for New Jersey school districts mandated that the district set up a General Fixed Asset Group of accounts and provide for an inventory method to quantify the historical cost of fixed assets for the district. The Camden Public Schools has conformed with the minimum requirements of GAAP for their fixed assets as seen in their CAFR.

The district currently has on its audit financial statements \$103,522,976 in historical costs for general fixed assets (see Table 13)

Table 13

General Fixed Assets	1995
Site Improvements	\$ 447,000
Buildings/Building Improvements	\$ 86,520,538
Machinery and Equipment	\$ 14,519,134
Motor Vehicles	\$ 2,036,304
Total	\$ 103,522,976

The team was informed that the system has an ongoing tagging policy whereby those assets with a value over \$500 are tagged and included in the fixed asset inventory. These tagged assets are then entered onto a fixed asset control sheet and into a software program. The auditor uses the software report of fixed assets in preparation of the CAFR. However, no independent periodic inventory has been taken of these fixed assets. While the data has been filed, there has not been an independent proofing of those numbers.

The district should take a proactive approach towards fixed asset management data. This form of internal and financial accounting control that the district should use to safeguard its assets and guide future purchases and expenditures.

Recommendations

1. Utilization of Purchase Discount

The team reviewed the expenditure records of the Camden Schools identifying that approximately \$81,113,500 were expended in the 1994-95 school year which should have been managed through the purchasing process. Further review revealed that approximately \$20 million were direct purchases with potential for discounts. It was learned that discounts are not taken on a regular basis.

We recommend that the district pursue taking discounts and take immediate steps to improve its payment process. The first step is the immediate preparation of a purchasing manual. This coupled with proper use of the purchasing and accounts payable software should begin the steps that are necessary to improve the process. If the district were to only achieve a 3% discount by timely payments on approximately \$5 million, or greater of the direct purchases, in purchases annually, this would result in a savings of \$150,000 to the district each year.

2. Direct Delivery of Goods and Materials

It is recommended that the district discontinue its supply warehouse functions at Florence Avenue. Based upon experience in other districts, the team believes that at any given time this warehouse stocks approximately \$1.5 million worth of inventory. Assuming a direct delivery cost of approximately 7.5% (high estimate in most markets), when comparing to the cost of warehouse operations (Table 12, page 97) the team calculates the district is spending more to receive, warehouse and distribute goods than it should.

Exhibit A Comparison of Delivery to Warehouse Costs

Cost of Warehouse Operations (Table 12)	\$360,997
Direct Delivery Charge (\$3 million inventory value x 7.5)	- 225,000
Estimated Savings	\$135,997

Further, it is recommended that the school district immediately commence an inventory of the total stock of all its warehouses. Based upon delivery records it can then perform an accurate inventory and execute the necessary cost containment analysis to determine its true expenses..

Total Savings \$ 285,997

CUSTODIAL AND MAINTENANCE

The Division of Plant Services is responsible for custodial services, plant operations, light maintenance and repair and some small capital renovations covering approximately 2.6 million square feet of space. The Division is also responsible for security, project management and design.

The facility management analysis took place between January and April, 1996. It consisted of a series of interviews with the district architect, the supervisor and managers of repair and maintenance, and select custodians, principals, teachers and staff, as well as visits to tour select schools including Camden High School, Hatch Intermediate School, Woodrow Wilson High School, Morgan Village Middle School and the Dudley School. In addition exterior inspections were made of Broadway, Lincoln, Bonsall, Forest Hill, Pyne Poynt and Wilson Schools.

The findings of this analysis are presented in two parts, the first is an assessment of current conditions based upon observations, the second includes a detailed assessment and analysis of custodial and maintenance costs for the district as compared to other peer districts and regional standards.

Condition Assessment

The review team was pleased to see that for the most part the schools were found to be neat and clean. The overall observed condition of the schools visited was that they were well maintained inside and out. This is especially so in the elementary schools. Except for the high schools, they were free of graffiti on the inside as well.

The district was in compliance with environmental cleanup standards including underground storage tanks, asbestos and lead abatement. Buildings were also in compliance with Public Law 504. An excellent long-term capital replacement and maintenance program for basic building infrastructure to include roofs, windows and lockers is in place.

It was clear from visual observation that additions and expansions of older schools are both ecstatically and architecturally sound. From these observations one could conclude that the board has received quality work and services from both its contract architects and building contractors.

The district had a contract with the Honeywell Corporation for energy management lease purchase program to provide for preventative maintenance after hour monitoring boiler maintenance, boiler controls and the cleaning of traps. These retrofits and capital improvements were funded through energy savings. This is an excellent example of privatization.

The utilization of a energy service company has provided all schools and support buildings, except for the central administration building, with energy efficient bulbs and ballasts funded from electrical savings.

Morale was high throughout plant operations central staff and school custodians. Both groups showed pride in their work and in the condition of the schools.

The plant operations made excellent use of a two-way radio system to identify emergencies and coordinate response. This is a critical part of the quality assurance program which utilizes three inspectors who visit schools to: a) respond to principal complaints/problems; b) routinely measure cleanliness and institute corrective action where necessary; and c) identify the quality and completeness of scheduled and emergency repair and maintenance projects.

The central maintenance shops were well organized and maintained. The shop areas were clean, even though located in an extremely old building. Construction materials and supplies were well organized and an inventory control system is in the beginning phases of implementation.

Materials and supplies necessary to support both custodial and maintenance operations were ordered utilizing an annual order system. All additional purchases required for individual jobs between the annual order were produced without the benefit of competitive pricing.

It was obvious that the inventory of tools, materials, and supplies were extremely extensive for a district of this size. While a manual inventory control system was in existence, it is a concern that the extensive inventory without adequate controls is a invitation for theft and abuse. It is recommended that the computerized inventory control program (Act 1000) be implemented as quickly as possible, that no more than a 90 day inventory of supplies be kept on hand at any one time. Competitive processes should be examined to meet special project needs during the school year. There was also an extensive inventory of tools and no system in place to justify replacement or issuing of tools to the various trades. Again, this system has potential for abuse. It is recommended that an annual distribution of tools be made and that a daily "tag system" be utilized to check tools in and out by the various trades with replacement to be at the expense of the individual employee unless theft can be documented.

Management and Maintenance Cost

Notwithstanding the overall quality of the facilities, there remains the question of whether this quality is attained at a cost that is reasonable and consistent with peer district and regional standards for maintenance, management and operating costs. The following table includes a summary of the allocation of personnel, salaries and benefit cost within the Plant Services operation.

Table 14

**An Allocation of Plant Operations
Personnel, Salaries and Benefits**

POSITION	NUMBER	TOTAL WAGES	BENEFITS (a)	SUBTOTAL
Custodial	325	\$6,668,443	\$2,000,533	\$8,668,976
Maintenance	57	1,365,684	409,705	1,775,389
Fireman, Engineers	7	163,874	49,162	213,036
Administration	9	315,194	94,558	409,752
<i>TOTAL</i>	398	\$8,513,195	\$2,553,938	\$11,067,153

(a) The cost of benefits is computed at 30% for full-time personnel.

Custodial

Chart 1
Average Custodial Salaries
(Exclusive of benefits)

<u>Camden</u>	<u>Paterson</u>	<u>Newark</u>	<u>Regional Benchmark *</u>
\$20,518	\$23,400	\$32,521	\$25,200

* Source: American School and University Maintenance and Operations Cost Study, Published in April 1995. Represent average for NY and NJ. The original survey number which applied to the 1994-95 school year was inflated by 5% to compare to 95-96 data for Camden and other peer districts in New Jersey.

Chart 1 shows how Camden compared to regional and peer district benchmarks for overall custodial salaries. These salaries include head custodians and custodial workers without fringe benefits. As indicated, Camden's average custodial salary is 18.6% lower than the regional benchmark. In evaluating the numbers of custodial staff the American School and University regional standards suggest one custodial staff person per 18,000/square feet of space with one night cleaning staff person for every 30,000/square feet of space cleaned. When applied against the square footage in each of Camden Schools (See Table 14) total custodial staff reductions from 325 employees to 231 employees would be suggested. This reduction of 94 staff at the average salary of \$20,518 (without fringe benefits) would represent \$1,900,000 in annual savings or \$2,470,000 utilizing a 30% factor for fringe benefits.

Another comparative measure of cost effectiveness is cost per square foot. It currently costs Camden \$2.97 per square foot for custodial staff to clean its facilities. If staff reduction and other efficiencies could be realized to lower this number to the American School and University's standard of \$2.11 per square foot, approximately \$2.3 million of savings per year could be generated. A second option would be a more radical

privatization of the entire system. Current standards would suggest privatizing janitorial services can be provided at a cost of \$1.75 per square foot or approximately \$3.2 million in annual savings. However, some of these savings should be utilized for contract administration and quality control, which is essential under a contracted arrangement.

Savings \$2,470,000 to \$3,200,000

Tradesman

As indicated by the following chart the average salary for tradesman in the Camden District are approximately 19.5% lower than the regional benchmark and significantly lower than peer districts.

Chart 2
Average Tradesman Salaries

<u>Camden</u>	<u>Paterson</u>	<u>Newark</u>	<u>Regional Benchmark</u>
\$23,959	\$32,000	\$45,000	\$29,759

When utilizing American School and University Maintenance and Operations Standards of one employee for 50,000 per square feet for trades, Camden is within 7.5% of the regional benchmark (57 trades personnel vs. 53 suggested by American School and University). Even through the salary and number of repair and maintenance staff are at or below regional benchmarks, it is believed that improved efficiencies are still available.

It is recommended that a second shift be established so that repair and maintenance activities could be performed during evening hours when school is not in session without incurring additional overtime cost. In addition, the district should look to establish a formal preventative maintenance program with dedicated resources. This could be achieved by designating a specific crew of maintenance workers to the task of performing preventative maintenance (PM). Historically repair and maintenance work performed has been comprised by responding to day to day emergencies and is normally performed during school hours (set aside designated intervals of time on a regularly basis to perform preventative maintenance work). This effort could also be supplemented by outside contracts when specific expertise is required or when the volume of work exceeds that which it can be expected by in-house staff.

While the district does have a centralized process for receiving and tracking maintenance requests, it is strongly recommended that they proceed expeditiously to implement the ACT 1000 computer system to provide automated tracking and scheduling of all work orders. As indicated earlier, this process will improve inventory control as well as track manpower allocations and demands.

Design and Construction

All design and construction project management is currently handled by contract under the supervision of one in-house architect. This includes contracting for the development, and oversight of the five year facility capital improvement plan. During the past year the design office awarded 71 different projects in the 0 to \$1,000 range and 14 projects in the 100,000 to \$1 million range. There were no capital projects in excess of \$1 million. The fee for all design and construction administration services is 10% (6.5% for design, 3.5% for construction administration). Based upon last years total budget of \$4.96 million in capital work, fees of \$496,000 were paid.

Tabulated below are typical percentage fees by project size for professional architectural service (including engineering fees) as presented by BOCA. When applied against Camden's construction (alteration) activities, the district's policy of paying a flat 10% for such services has realized a savings to the district over the last year. Additional savings could be realized by having the district's licensed architect sign off on some smaller projects in accordance with the Uniform Construction Code 5:23-2.14.

Chart 3
BOCA Fee Schedule

	<u>Total Project Size in Thousands</u>						
	<u>100</u>	<u>250</u>	<u>500</u>	<u>1,000</u>	<u>5,000</u>	<u>10,000</u>	<u>50,000</u>
BOCA Standards for A/E fees for school alterations (% of total construction)	17.55	16.2	12.75	9.12	8.00	7.5	7.0

FACILITIES

The LGBR conducted a review of the district facilities and grounds including site visits, interviews and review of documents. Several areas are noted in the findings. These include age and condition of the buildings, use of trailers and modular classrooms, rental of classroom space, substandard classrooms and classroom space utilization.

Frequently concerns were raised by staff about the condition of facilities and the lack of available classroom space. Although it would be ideal if the district's older buildings could be replaced with newer, larger and better buildings and if all buildings requiring less extensive repairs could be improved, this is unrealistic. At the same time, the expense necessary to update and revitalize many of these older buildings to meet today's educational standards is somewhat prohibitive.

We observed that the district has taken some temporary measures to address the building conditions and the overcrowding and shortage of classroom space. It has done so through use of trailers and modules (McGraw and Forrest Schools for example) and the utilization of substandard rooms at others, i.e., Dudley and Cramer Schools. In addition, space has been rented (church basement across from Dudley) to meet these needs.

Further, there are spaces being used for instruction that have not been identified as substandard but certainly should be. Specifically, storage spaces have been converted to instructional areas. Of concern, for example, are three spaces in the lower level of Dudley School. Two are adjacent to the boiler room and have limited means of egress. They are situated at the end of a dead-end corridor next to the entrance to the boiler room. You must pass through one small crowded room to get to the other. Neither meet minimum square footage requirements. The third lower level room is also small with limited access. All three lack proper ventilation.

Dudley School also utilizes an area on the second floor that was a storage area for small group instruction. It too is small and lacks appropriate ventilation. In addition, Dudley School uses a church basement across the street from the school for a kindergarten class. This area is divided into two rooms neither of which meets code for size, ventilation, or safe egress. Further, it lacks the required means of communication with the main building in case of emergency.

Substandard rooms exist in other buildings as identified in the Department of Education's Monitoring Report. Corrective action must be taken to eliminate all substandard areas. This is of particular concern in areas which have serious safety concerns as those at Dudley School.

The district should consider an extensive facilities study to include capacities and attendance areas for possible redistricting. It is the view of the review team that consolidation of some of the older, smaller and poorer condition facilities such as Broadway (200 students), Mickle (107 students), Powell (216 students) and Catto (133 students) would result in considerable savings in maintenance, upkeep and personnel costs.

Administrative Offices

There are major questions regarding the Board of Education's legal status in its occupancy of the property at 201 North Front Street currently being used as the central administrative and Board of Education offices. There are also concerns regarding the expense of upkeep, repair and maintenance of this facility and concerns from the some 400 employees working in the building relative to health and safety issues.

Health and safety matters include poor air quality, asbestos, inadequate heating and ventilation, water leaks, fire alarms going off and elevators that routinely get stuck trapping employees until they can be rescued. Employees complain of respiratory problems and headaches. Absenteeism is high, complaints are many and morale is low. Workers' Compensation claims have been filed for these various ailments.

A brief but not fully documented history of the location of administrative offices begins in 1929. At that time it is reported that the land where City Hall now stands was privately owned and was partially the site of a school. This land was deeded to the city to build the city hall with the proviso that space would be provided to the Board of Education for offices. The Board offices were located at City Hall for a number of years. As city government grew requiring more and more office space, the Board was asked to relocate their offices. The Board then leased space at Ferry Plaza at Ferry Avenue and Davis Street for the period of January 1, 1990 through December 31, 1992. They paid \$493,794 according to the agreement over the three year period. In March, 1993, the Board was advised they had to vacate this location.

Through the Camden County Redevelopment Agency the Board entered into what is now the agreement to occupy the property at 201 North Front Street which was owned by Martin Marietta/General Electric. Questions related to whether the Board ever entered a lease-purchase agreement with intent to buy the property or simply approved a resolution to investigate the purchase of the property. A resolution dated June 28, 1993 indicated an "Agreement of Sale" . . . "conditioned upon the receipt of environmental studies", "for the sum of \$1.5 million dollars" with a payment schedule running through June 30, 2003. Board minutes reportedly only address approval of resolution to investigate this purchase.

The Board did take occupancy of the building placing their central administrative offices there in the Fall of 1993.

In an "Opinion Letter" dated December 20, 1993, the Board's solicitor stated that, "The Lease/Purchase Agreement have been duly authorized, executed and delivered by the Board, are in full force and effect, and constitute legal, valid and binding obligations of the Board . . .". Attached was a 16 page document entitled "Lease Agreement" outlining terms and conditions and payment schedule with added attachments. According to the Board's Business Administrator, the Board never acted upon nor entered into any agreement by official Board of Education resolution at a public Board of Education meeting and there are no minutes or record that they did.

In addition to there being no record of approval in Board minutes, the matter of lease, lease/purchase or purchase never went before the public in an election for its approval as required in N.J.S.A. 18A:20-4.2(d). Nor did the Board make application for Department of Education approval to enter into a lease purchase agreement of more than five years seeking Commissioner of Education approval or take said application before the Local Finance Board of the Department of Community Affairs for approval of the financial terms

and conditions of the agreement in accordance with 18A:20-4.2(f) and N.J.A.C. 6:22A-1 et seq.

In spite of the legal opinion of the School Solicitor, it appears that the Board did not follow the procedures required in the statutes and Administrative Code, did not get public approval and has no official record of Board approval to lease or to purchase the property at 201 North Front.

In February, 1994, some five months after the Board took occupancy of 201 North Front, nearly eight months following the action taken by the Board to investigate purchase of the building and two months after the Solicitor rendered his opinion, the Solicitor wrote to the Department of Education outlining the rationale for leasing the site and "seeking advise concerning this matter". He wrote again in October seeking "a written response disapproving the Proposal transaction and the reasons therefore". The Department responded via letter citing reasons in accordance with the Statutes and Code cited above.

Further, air quality reports and asbestos studies indicate the existence of potential health hazard conditions in the building. In a study of the physical condition of the building commissioned by the Board and completed in December, 1994 several problems were noted. These include architectural problems with masonry, windows and roofing which permit extensive water leakage; an abandoned service elevator in the rear of the building that has a shaft that "is viewed as a potentially hazardous condition" in its current state; an unsafe egress situation with the stairs; an HVAC system in poor condition resulting in poor ventilation throughout the building; lack of plumbing fixtures for the handicapped as required by code; lack of a fire sprinkler system on floors two through eight; electrical panels that are at least 45 years old that still use cartridge fuses and for which parts are very hard to obtain since the manufacturer has gone out of business; non-existent electrical raceway system and general deterioration due to age and misuse. A cost estimate for needed repairs totaled \$3,356,060. Of this, \$1,097,983 in repairs are for life safety/code compliance items. Since these are mandatory under the New Jersey Uniform Construction Code, the Board could be liable for the repairs should they take possession of the building and then later dispose of it. The report indicated that with overhead and profit plus a 7% contingency total costs could be as much as \$4 million. Other projections have costs ranging from \$4 million to \$6 million.

In addition, the asbestos study that was a condition of acceptance of the "Agreement of Sale (see quote above) reported asbestos throughout the building with recommendations for removal. This alone should be/have been cause for invalidating the agreement.

In the little over two years of Board occupancy, the Board has already expended \$2.1 in repairs including total refurbishing of two elevators. In addition, the Board is leasing copying machines on each of the eight floors at a cost of \$1 million. Currently, the Board does not insure the building. Only the contents are insured. Therefore, should there be major loss to the building due to some catastrophe, it would not be covered. And, due to the tenuous nature of the "agreement", the liability could be disastrous.

Based upon this history the legal concerns and costly physical condition of the building, it is the recommendation of the LGBR that the Camden Board of Education find appropriate office space elsewhere and vacate 201 North Front Street immediately.

Savings	Total cost of lease/purchase	\$2,310,000
	Estimate of renovations	4,000,000
	Total Savings	\$6,310,000

(note that costs of relocating offices will offset some of these savings)

RECYCLING

Recycling in the schools is done at minimum levels with no staffing dedicated toward this practice although the school district does employ a crew to pick up its garbage daily in all of the schools. Recycling bins were infrequently seen in visits to the schools. The district had a total of 1881 tons of garbage dumped in the incinerator during the 1994-95 school year.

The district has soda machines in many of the schools and uses large volumes of paper. The central administrative building uses a palette of paper every two days. Each palette weighs approximately one ton and is used primarily for copying and printing. There were very few examples of any of this paper or aluminum being taken from the daily waste stream.

If the district were able to recycle two tons of this high grade office paper per week at \$50/ton and two tons of mixed paper at \$25/ton, the avoided cost savings of four tons per week of garbage disposed at \$100 per ton over 40 weeks would equal **\$22,000** in savings. If a ton of aluminum per week can be recycled at \$600/ton with the same avoided cost of \$100 per ton, the district can save an additional **\$28,000** per year.

Another option to realize savings would be to enter into a shared service agreement with the City of Camden for garbage pick-up and recycling.

Total Savings \$50,000

SHARED SERVICES

Much time and effort was made by the LGBR with school and city officials to explore possibilities for shared service opportunities that would result in considerable savings to both entities. The result for both the school district and city government would be a double benefit for the tax payers of the City of Camden. Both the Mayor and the Superintendent supported the concept.

Encouraged by the endorsements, the team did considerable field work meeting with many officials from both groups and identifying areas of possibility for cost saving shared

services. We researched other successful cooperatives in the state for recommendations and procedures on how to get started and for keys to success. These included the Middlesex Educational Services Commission, Mercer County Purchasing CoOp, Atlantic and Cape May Counties Cooperative Pricing Systems and the local Camden County Municipal Shared Services Consortium. Other sources referenced includes the "New Jersey Department of Education - Consolidation of Services School District Survey, September, 1995", "The Challenge of Local Partnerships - Report of the Governor's Task Force on Local Partnerships, July, 1992, and "Interlocal Services: Working Together - A Directory of Interlocal Activities, October, 1991".

Further, the team member identified 19 individual common areas of expenditure for commodities and services where both bodies could benefit from considering shared services. Expenditures on the school district side alone totaled more than \$34 million for these services. Examples include vehicle maintenance and fuel, building repair, custodial services, computer equipment and service, furniture and equipment purchasing, general office supplies, heating fuel, security, recreation, and trash removal. In addition, services such as legal services and professional services were identified. Costs for these by the district are approximately \$9 million.

In mid-March of this year, the team arranged a meeting of the key decision makers from both the city and the school district to develop a plan for organizing a Joint Services/Interlocal Agreement. A thorough agenda was prepared with the team acting as a facilitator. Anticipated outcomes included a strategic plan to develop an interlocal agreement; a setting of priorities; a phasing in of activity based on the priorities; a discussion of how public services would be enhanced for the citizens of Camden as well as the business community and visitors and where significant savings could be found. All parties seemed to be committed to this effort. On the very day of the scheduled meeting several of the participants canceled and the meeting was never held.

On April 17, a three page memo from the City Purchasing Agent to the City Business Manager detailed eight area of shared service potentials and concluded with stating,

“... In terms of practical and effective procurement, most municipal services are not readily comparable with any school district needs. Consequently, after defining the aforementioned services, I seriously doubt savings of any impact could be readily realized. I do not rule out the possibility that there can be any beneficial savings via shared services, but I question whether or not the steps to accomplish such savings is worth the manpower and time effort.”

This in essence killed the concept of a city/school district interlocal shared service agreement.

The LGBR strongly disagrees with the position of the City Purchasing Agent and apparent supporting position of the City Business Manager. It is this lack of cooperation and lack of effort on behalf of Camden officials that directly leads to the negative plight of this city.

By conservative projections of the LGBR, if just 5% of the costs of the 19 areas of potential savings were realized, the city could save \$500,000. The school district could save \$2,150,000. In total, \$2,650,000 could be saved in Camden with a little “manpower and time effort”.

Given this potential for additional cost savings, the school district and municipality must move forward and without delay join forces to form partnership agreements between themselves as well as possibly with other local government entities.

Armed with the information and strategies provided by the LGBR, a path can be charted for the future, and methods and procedures can be established to make long-term effective changes in Camden City.

The Mayor and Superintendent made a commitment. It is time for them to lead and to act to move in a forward direction. There is a critical and urgent need to address the host of problems that the City of Camden faces. There is no better time or more sensible way to accomplish this than to join forces and capitalize on this unified effort. In this day of shrinking dollars, organizations must find better ways to do business. To ignore opportunities to save valuable dollars is more than a waste - it is irresponsible. City officials and administrators must dedicate themselves to a serious, collaborative and collective effort to lead the residents of Camden City forward and to give the younger generation of this city of children reasons to work hard and succeed.

III. STATUTORY AND REGULATORY REFORM

This third and final section of the LGBR report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to blame high costs and increased taxes on “state mandates”. Each review team is charged with identifying those areas in the regulations and to report those brought to the attention of the team by local officials that have this negative impact. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

NEPOTISM

A review of employee rosters and the district’s ethics forms revealed the hiring practices of the Board and school administration filled the ranks of many positions with immediate and extended family members. The Board policy on nepotism is permissive allowing for the hiring and promotion of said family members. This practice has resulted in positions being filled in many cases with less than qualified persons and in other cases with persons who may not be the best candidate applying.

It is the recommendation that legislation be passed that would not permit the hiring of relatives in all governmental agencies where public officers and/or employees with the authority to hire may use their influence to appoint said relatives.

SCHOOL ELECTIONS

In December, 1995 legislation was passed into law taking the authority to run school elections away from local school boards and placed the elections in the hands of county election boards. Although the objectives of this legislation such as increasing voter awareness and participation are with merit, the provisions of the legislation has proved to be excessively more costly. Previously, school districts consolidated polling places requiring fewer voting machines and fewer election workers resulting in considerable less costs. School elections cost districts three and four times what they did prior to the April, 1996 election.

The LGBR suggests the legislation be revised to permit the consolidation of polling places as was done previously. The costs and inefficiencies of having all polls open for school elections is cost prohibitive.

PAYMENT FOR UNUSED SICK LEAVE

Payment for unused sick leave has been excessive for employees at the time of their retirement from the Camden Schools. This phenomenon has occurred in districts elsewhere in the state with pay outs for unused sick and vacation days approaching \$100,000 or more. Potential liability facing Camden and other districts should many

employees elect to retire in a given year is staggering. With some 230,700 accumulated days of unused sick days in Camden, the Board has a potential liability of \$20,763,000.

It is the recommendation that legislation be considered capping the payment of unused sick days for all public employees at a maximum of \$15,000 as it is with state government employees. Further, policies pertaining to unused vacation days should include language that would cap carryover vacation days from one year to the next at one year's value (the current number of vacation days an employee receives per year).

EMERGENCY CERTIFICATION

Camden Schools employ many educators with emergency certificates, especially in the area of special education teachers where 77 teachers held emergency certificates in 1995-1996. A total of 104 emergency certificates were approved. There should be firm limits set on the use of emergency certificates. In addition, there should be time limits determined for when a holder of an emergency certificate must acquire full teacher certification for the position they hold. These emergency certificates should not be renewed if this requirement is not met.

Further, state colleges should be required to be more permissive with their matriculation requirements by opening their enrollments to accept teachers employed with emergency certificates. They should offer more courses in areas of need. In addition, it is suggested that colleges open centers for these courses regionally where there is a concentration of tremendous need as in Camden. This would be of great service to the schools of New Jersey, particularly special needs districts, and would be a source of increased revenue for the colleges.

UNRECOGNIZED TITLES

The Camden Schools have many positions with unrecognized titles. These exist in both instructional and administrative support areas. It is estimated that there are over 100 such positions in Camden. By comparison, there is a total of three approved unrecognized title positions in all of Gloucester County. Guidelines for the creation of these positions and the appointment of people to them should be restricted to areas of emergency or documented need. These should be subject to annual review and justification by the local district. Renewal approval should be on the basis of that of emergency certification with persons being required to take courses toward full certification in the areas of their assignment, i.e. supervisor certificate. The practice in Camden is one that merely circumvents existing state regulations. Tight regulations need to be set forth by the State to discontinue this practice throughout New Jersey.

DRESS CODE

Based upon review team observation in the highly successful schools in Camden where school uniforms were worn and published results in Long Beach, California, the review

team supports the concept of students wearing uniforms. Rule changes and legislation should be enacted to permit dress code requirements beyond those currently in place which address only safety and obscenity/decenty issues.

LOCAL GOVERNMENT BUDGET REVIEW

Brian W. Clymer, State Treasurer

Louis C. Goetting, Assistant State Treasurer

Dr. Leo Klagholz, Commissioner, Department of Education

Dr. Richard DiPatri, Deputy Commissioner, Department of Education

Dr. Peter B. Contini, Assistant Commissioner, Department of Education

Michael Azzara, Director, Office of Finance, Department of Education

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